

CHARTER TOWNSHIP OF GENOA

REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2008

## **CHARTER TOWNSHIP OF GENOA**

### **TOWNSHIP OFFICIALS**

Supervisor - Gary McCrie  
Clerk - Paulette Skolarus  
Treasurer - Robin Hunt

### **BOARD OF TRUSTEES**

Gary McCrie  
Paulette Skolarus  
Robin Hunt  
James Mortensen  
Steve Wildman  
Jean Ledford  
Todd Smith

### **MANAGER**

Michael Archinal

### **TOWNSHIP ATTORNEY**

Richard Heikkinen

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

#### INDEPENDENT AUDITORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS	9
------------------------------------	---

#### BASIC FINANCIAL STATEMENTS

##### GOVERNMENT - WIDE FINANCIAL STATEMENTS

Statement of Net Assets	16
Statement of Activities	17

##### FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds	19
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Assets - Proprietary Funds	23
Statement of Revenue, Expenses and Changes in Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Assets and Liabilities - Fiduciary Funds	26

NOTES TO FINANCIAL STATEMENTS	28
-------------------------------	----

#### REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	47
Schedules of Pension Funding Progress (Unaudited)	48

#### SUPPLEMENTARY INFORMATION

##### COMBINING FINANCIAL STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	51
All Debt Service Funds - Combining Balance Sheet	52
All Capital Project Funds - Combining Balance Sheet	53
All Enterprise Funds - Combining Balance Sheet	54
All Trust and Agency Funds - Combining Balance Sheet	55
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
All Debt Service Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	57
All Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
All Enterprise Funds - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	59
All Enterprise Funds - Combining Statement of Cash Flows	60

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
<u>INDIVIDUAL FUNDS</u>	
GENERAL FUND	
Balance Sheet	63
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	64
Statement of Revenues - Budget and Actual	65
Statement of Expenditures - Budget and Actual	66
LIQUOR LAW ENFORCEMENT FUND	
Balance Sheet	68
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	69
ROAD IMPROVEMENT FUND	
Balance Sheet	71
Statement of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual	72
REIMBURSABLE ROAD PROJECTS FUND	
Balance Sheet	74
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	75
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND	
Balance Sheet	77
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	78
BUILDING AND GROUNDS RESERVE FUND	
Balance Sheet	80
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	81
UTILITIES/DPW FUND	
Balance Sheet	83
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	84
UTILITIES/DPW RESERVE FUND	
Balance Sheet	86
Statement of Revenues, Expenditures and Changes in	
Fund Balance	87
DORR ROAD WATER AND SEWER DEBT SERVICE FUND	
Balance Sheet	89
Statement of Revenues, Expenditures and Changes in	
Fund Balance	90
TRI-LAKES ROAD DEBT SERVICE FUND	
Balance Sheet	92
Statement of Revenues, Expenditures and Changes in	
Fund Balance	93

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND	
Balance Sheet	95
Statement of Revenues, Expenditures and Changes in Fund Balance	96
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND	
Balance Sheet	98
Statement of Revenues, Expenditures and Changes in Fund Balance	99
GRAND RIVER WATER DEBT SERVICE FUND	
Balance Sheet	101
Statement of Revenues, Expenditures and Changes in Fund Balance	102
GRAND OAKS WATER DEBT SERVICE FUND	
Balance Sheet	104
Statement of Revenues, Expenditures and Changes in Fund Balance	105
GRAND RIVER ROAD DEBT SERVICE FUND	
Balance Sheet	107
Statement of Revenues, Expenditures and Changes in Fund Balance	108
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND	
Balance Sheet	110
Statement of Revenues, Expenditures and Changes in Fund Balance	111
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND	
Balance Sheet	113
Statement of Revenues, Expenditures and Changes in Fund Balance	114
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND	
Balance Sheet	116
Statement of Revenues, Expenditures and Changes in Fund Balance	117
GRAND RIVER WATER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	119
Statement of Revenues, Expenditures and Changes in Fund Balance	120
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	122
Statement of Revenues, Expenditures and Changes in Fund Balance	123

## TABLE OF CONTENTS

### PAGE NUMBER

GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	125
Statement of Revenues, Expenditures and Changes in Fund Balance	126
FUTURE DEVELOPMENT - FIRE CAPITAL PROJECTS FUND	
Balance Sheet	128
Statement of Revenues, Expenditures and Changes in Fund Balance	129
OAK POINTE - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	131
Statement of Fund Equity	132
Statement of Revenues and Expenses	133
Statement of Cash Flows	134
Schedule of Revenues, Expenses and Changes in Equity - Operations Fund Only	135
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	137
Statement of Fund Equity	138
Statement of Revenues and Expenses	139
Statement of Cash Flows	140
Schedule of Revenues, Expenses and Changes in Equity - Operations Fund Only	141
PINE CREEK - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	143
Statement of Fund Equity	144
Statement of Revenues and Expenses	145
Statement of Cash Flows	146
DEPOSIT TRUST FUND	
Balance Sheet	148
CURRENT TAX FUND	
Balance Sheet	150
TRUST AND AGENCY FUND	
Balance Sheet	152
UTILITY ESCROW FUND	
Balance Sheet	154

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

June 30, 2008

Board of Trustees  
Charter Township of Genoa  
2911 Dorr Road  
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of and for the year ended March 31, 2008, which collectively comprise the Charter Township of Genoa's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Genoa's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 9 through 13 and 47 and 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Genoa's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

**PFEFFER, HANNIFORD & PALKA**  
Certified Public Accountants

MANAGEMENT DISCUSSION  
AND  
ANALYSIS



## Management Discussion and Analysis March 31, 2008

---

Within this section of Charter Township of Genoa's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the year ended March 31, 2008. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal period. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units). The Township has no component units.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements and individual fund statements later in this report.

The Township has three kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the period. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Proprietary funds* are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

#### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

#### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

#### **Financial Analysis of the Township as a Whole**

The Township's overall net assets at the end of the fiscal year were \$34,497,719. This is a \$1,240,727 increase over the net assets of \$33,256,992 of March 31, 2007. Comparative Summary of Changes in Net Assets was not presented because the prior fiscal period ending March 31, 2007 had only nine (9) months of activity.

The following tables provide a summary of the Township's financial activities and changes in net assets:

**Summary of Net Assets  
UNDER GASB 34**

	Governmental Activities		Business-type Activities		Totals	
	3/31/2008	3/31/2007	3/31/2008	3/31/2007	3/31/2008	3/31/2007
Current and other assets	\$ 20,522,504	\$ 22,100,107	\$ 9,916,718	\$ 9,844,603	\$ 30,439,222	\$ 31,944,710
Capital assets	4,624,267	3,267,495	16,197,703	16,490,116	20,821,970	19,757,611
Total assets	25,146,771	25,367,602	26,114,421	26,334,719	51,261,192	51,702,321
Other liabilities	798,965	751,840	1,374,805	1,101,570	2,173,770	1,853,410
Long-term liabilities	8,865,383	10,057,939	5,724,320	6,533,980	14,589,703	16,591,919
Total liabilities	9,664,348	10,809,779	7,099,125	7,635,550	16,763,473	18,445,329
Net assets:						
Invested in capital assets, net of related debt	4,624,267	3,267,495	10,473,383	9,187,452	15,097,650	12,454,947
Unrestricted	10,858,156	11,290,328	8,541,913	9,511,717	19,400,069	20,802,045
Total net assets	\$ 15,482,423	\$ 14,557,823	\$ 19,015,296	\$ 18,699,169	\$ 34,497,719	\$ 33,256,992

**Summary of Changes in Net Assets  
UNDER GASB 34**

	Governmental Activities	Business- type Activities	Total
	<u>3/31/2008</u>	<u>3/31/2008</u>	<u>3/31/2008</u>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 1,485,103	\$ 1,448,751	\$ 2,933,854
Operating grants and contributions	192,446		192,446
Capital grants and contributions		711,833	711,833
General revenues			
State shared revenues	1,080,898		1,080,898
Property taxes	1,107,888		1,107,888
Interest income	846,838	460,051	1,306,889
Other	<u>306,216</u>	<u>11,221</u>	<u>317,437</u>
Total revenues	<u>5,019,389</u>	<u>2,631,856</u>	<u>7,651,245</u>
<b>EXPENSES</b>			
General government	1,722,024		1,722,024
Public safety	41,579		41,579
Parks and recreation	143,006		143,006
Public works	934,520		934,520
Refuse collection	825,337		825,337
Interest on long-term debt	428,323		428,323
Water and sewer systems		<u>2,315,729</u>	<u>2,315,729</u>
Total expenses	<u>4,094,789</u>	<u>2,315,729</u>	<u>6,410,518</u>
Change in net assets	924,600	316,127	1,240,727
Beginning net assets	<u>14,557,823</u>	<u>18,699,169</u>	<u>33,256,992</u>
Ending net assets	<u><u>\$ 15,482,423</u></u>	<u><u>\$ 19,015,296</u></u>	<u><u>\$ 34,497,719</u></u>

The significant increase in net assets of governmental activities was mostly due to an overall reduction of spending for roads maintenance. Management is purposely building up its net assets for governmental activities to finance some very large projects over the next few years. These projects include added infrastructure for fire services provided by the Brighton Fire Authority, road paving projects and recreation projects.

The business-type funds reported net income of \$316,127. This is primarily due to an increase in connection fees in the current year. Connection fees were \$711,833 for the year ended March 31, 2008 as opposed to \$76,835 in the prior period.

#### Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$923,834 before its net transfers out of \$1,150,000 were made. Thus, the Township's fund balance decreases \$226,166 for the year ended March 31, 2008. Large transfers were made to fund the various fire and recreation projects.

The Township had three (3) other major governmental funds, Grand River Road Debt Service, Lake Edgewood West Water Debt Service, and Future Development-Fire Funds. The debt service fund activity was consistent with prior years' activities. The Future Development-Fire Fund received \$925,000 of transfers from the General Fund to finance the \$1,050,086 of construction cost it incurred this year for the Township's participation in the Brighton Area Fire Authority.

The Township's two major business-type funds, Oak Pointe and Lake Edgewood, each had operating losses. This has been consistent with prior years' activities. Management had significantly increased rates during the past year and will again increase water and sewer rates to offset the increasing costs of operations.

#### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal period in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$178,984. Expenditures are budgeted by line item, and several of these line items exceeded budgeted appropriations. The budget was amended during the year to account for various immaterial activities.

#### Capital Asset and Debt Administration

The governmental funds of the Township constructed and purchased \$1,485,811 of new capital assets. This included \$352,898 for park improvement and \$1,051,690 for construction of a new fire substation.

Neither the governmental funds nor the business-type funds issued any new bonds during the period.

#### Economic Conditions and Future Activities

As most local municipalities in the State of Michigan state shared revenues are anticipated to further decrease based on the state's economy.

The building and development activity in the Township has slowed down to almost a complete stop. This can be seen in the water and sewer districts by analyzing the decrease in connection fees over the past couple years. Management realizes that rates will need to be increased significantly over the next few years to keep the aging infrastructure in the Oak Pointe and Lake Edgewood districts operating.

The Township does benefit from the Grand River Corridor and its commercial businesses. The tax base provides tax revenues to help offset the drop in state shared revenues.

#### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Charter Township of Genoa at 2911 Dorr Road, Brighton, MI 48116.

BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF GENOA  
STATEMENT OF NET ASSETS  
MARCH 31, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 12,682,519	\$ 258,605	\$ 12,941,124
Cash and cash equivalents - restricted		3,952,223	3,952,223
Receivables			
Taxes	124,503		124,503
State shared revenues	253,065		253,065
Other	643,427	571,546	1,214,973
Intergovernmental	1,149,258	261,176	1,410,434
Special assessments - restricted	5,511,461	4,686,368	10,197,829
City - restricted		154,800	154,800
Inventory	4,986	32,000	36,986
Prepaid expenses	153,285		153,285
Capital assts - net of depreciation	4,624,267	16,197,703	20,821,970
Total assets	25,146,771	26,114,421	51,261,192
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	39,277	128,070	167,347
Accounts payable - intergovernmental		1,246,735	1,246,735
Accrued compensated absences	68,949		68,949
Due to others	6,416		6,416
Deferred revenues	684,323		684,323
Bonds/contracts payable			
Current	1,208,201	769,660	1,977,861
Non-current	7,657,182	4,954,660	12,611,842
Total liabilities	9,664,348	7,099,125	16,763,473
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	4,624,267	10,473,383	15,097,650
Unrestricted	10,858,156	8,541,913	19,400,069
Total net assets	\$ 15,482,423	\$ 19,015,296	\$ 34,497,719

The notes are an integral part of the financial statements.



CHARTER TOWNSHIP OF GENOA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (1,722,024)	\$ 474,461	\$	\$
Fire protection	(41,579)			
Parks and recreation	(143,006)			
Refuse collection	(825,337)	626,316		
Public works/roads	(934,520)	384,326	192,446	
Interest on long-term debt	(428,323)			
Total governmental activities	<u>(4,094,789)</u>	<u>1,485,103</u>	<u>192,446</u>	
Business-type activities				
Water and sewer systems	<u>(2,315,729)</u>	<u>1,448,751</u>		<u>711,833</u>
Total	<u>\$ (6,410,518)</u>	<u>\$ 2,933,854</u>	<u>\$ 192,446</u>	<u>\$ 711,833</u>

General revenues  
Property taxes  
State shared revenues  
Interest income  
Franchise fees  
Rental income  
Other income

Total general revenues

Changes in net assets

Net assets, April 1, 2007

Net assets, March 31, 2008

The notes are an integral part of the financial statements.

Net (Expenses) Revenue and Changes  
in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,247,563)	\$	\$ (1,247,563)
(41,579)		(41,579)
(143,006)		(143,006)
(199,021)		(199,021)
(357,748)		(357,748)
(428,323)		(428,323)
<u>(2,417,240)</u>		<u>(2,417,240)</u>
	(155,145)	(155,145)
<u>(2,417,240)</u>	<u>(155,145)</u>	<u>(2,572,385)</u>
1,107,888		1,107,888
1,080,898		1,080,898
846,838	460,051	1,306,889
233,214		233,214
51,689		51,689
21,313	11,221	32,534
<u>3,341,840</u>	<u>471,272</u>	<u>3,813,112</u>
924,600	316,127	1,240,727
<u>14,557,823</u>	<u>18,699,169</u>	<u>33,256,992</u>
<u>\$ 15,482,423</u>	<u>\$ 19,015,296</u>	<u>\$ 34,497,719</u>

FUND  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF GENOA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2008

	General Fund	Grand River Road Debt Service Fund	Lake Edgewood West Water Debt Service Fund	Future Development Fire Fund	Non-major Funds	Totals
<u>ASSETS</u>						
ASSETS						
Cash and cash equivalents	\$ 1,366,051	\$ 134,890	\$ 422,344	\$ 79,595	\$ 10,679,639	\$ 12,682,519
Receivables						
Special assessments		718,107	1,907,958		2,885,396	5,511,461
Taxes	124,503					124,503
State shared revenues	253,065					253,065
Other	12,100				631,327	643,427
Due from other funds	369,894				1,118,410	1,488,304
Inventory					4,986	4,986
Prepaid expenditures	38,285				115,000	153,285
Total assets	<u>\$ 2,163,898</u>	<u>\$ 852,997</u>	<u>\$ 2,330,302</u>	<u>\$ 79,595</u>	<u>\$ 15,434,758</u>	<u>\$ 20,861,550</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$ 33,921	\$	\$	\$	\$ 5,356	\$ 39,277
Accrued compensated absences	56,576				12,373	68,949
Deferred revenue	569,323	709,366	1,816,908		2,901,416	5,997,013
Due to other funds	477			4,637	333,932	339,046
Due to others	6,416					6,416
Total liabilities	<u>666,713</u>	<u>709,366</u>	<u>1,816,908</u>	<u>4,637</u>	<u>3,253,077</u>	<u>6,450,701</u>
FUND BALANCE						
Unreserved	1,497,185				79,017	1,576,202
Reserved for public works					6,467,016	6,467,016
Reserved for debt service		143,631	513,394		4,828,022	5,485,047
Reserved for parks and recreation					803,157	803,157
Reserved for public safety				74,958	4,469	79,427
Total fund balance	<u>1,497,185</u>	<u>143,631</u>	<u>513,394</u>	<u>74,958</u>	<u>12,181,681</u>	<u>14,410,849</u>
Total liabilities and fund balance	<u>\$ 2,163,898</u>	<u>\$ 852,997</u>	<u>\$ 2,330,302</u>	<u>\$ 79,595</u>	<u>\$ 15,434,758</u>	<u>\$ 20,861,550</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
MARCH 31, 2008

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 14,410,849
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 5,489,982	
Depreciation	<u>(865,715)</u>	
Capital assets net of depreciation		4,624,267
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(2,326,567)	
Bonds payable	<u>(6,538,816)</u>	
Total		(8,865,383)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>5,312,690</u>
Net assets of governmental activities		<u><u>\$ 15,482,423</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MARCH 31, 2008

	General Fund	Grand River Road Debt Service Fund	Lake Edgewood West Water Debt Service Fund	Future Development Fire Fund	Non-major Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 1,107,888	\$	\$	\$	\$	\$ 1,107,888
State shared revenues	1,080,898					1,080,898
Special assessments		112,831	298,009		1,124,650	1,535,490
Licenses and permits	22,556				12,814	35,370
Connection fees					170,760	170,760
Rental income	51,689					51,689
Franchise fees	233,214					233,214
Charges for services	1,065,407				384,326	1,449,733
Interest	110,788	1,014	7,234	1,577	359,067	479,680
Miscellaneous	15,935				5,378	21,313
Total revenues	<u>3,688,375</u>	<u>113,845</u>	<u>305,243</u>	<u>1,577</u>	<u>2,056,995</u>	<u>6,166,035</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,637,467				12,424	1,649,891
Fire protection	19,541					19,541
Refuse	825,337					825,337
Parks and recreation	91,210					91,210
Public works	128,535				827,287	955,822
Debt service:						
Principal		75,000	170,000		947,559	1,192,559
Interest/fees		46,768	129,934		251,618	428,320
Capital outlay:						
General government	62,451					62,451
Parks and recreation					368,900	368,900
Fire protection				1,050,086		1,050,086
Total expenditures	<u>2,764,541</u>	<u>121,768</u>	<u>299,934</u>	<u>1,050,086</u>	<u>2,407,788</u>	<u>6,644,117</u>
Excess of revenues over (under) expenditures	<u>923,834</u>	<u>(7,923)</u>	<u>5,309</u>	<u>(1,048,509)</u>	<u>(350,793)</u>	<u>(478,082)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in				925,000	235,000	1,160,000
Transfers (out)	(1,150,000)				(10,000)	(1,160,000)
Total other financing sources (uses)	<u>(1,150,000)</u>			<u>925,000</u>	<u>225,000</u>	
Net change in fund balance	(226,166)	(7,923)	5,309	(123,509)	(125,793)	(478,082)
FUND BALANCE, APRIL 1, 2007	<u>1,723,351</u>	<u>151,554</u>	<u>508,085</u>	<u>198,467</u>	<u>12,307,474</u>	<u>14,888,931</u>
FUND BALANCE, MARCH 31, 2008	<u>\$ 1,497,185</u>	<u>\$ 143,631</u>	<u>\$ 513,394</u>	<u>\$ 74,958</u>	<u>\$ 12,181,681</u>	<u>\$ 14,410,849</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2008

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ (478,082)
--------------------------------------------------	--------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 1,485,811	
Depreciation expense	<u>(129,039)</u>	
Total		1,356,772

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:

Capital leases payable	148,715	
Bonds payable	<u>1,043,841</u>	
Total		1,192,556

Principal received on special assessments are income as they are received annually for governmental funds, but they are income when they are originally levied for the Statement of Activities:

Principal collected on assessments	(1,168,332)	
Special assessments levied	<u>21,686</u>	
Total		<u>(1,146,646)</u>

Change in net assets of governmental activities	<u>\$ 924,600</u>
-------------------------------------------------	-------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
MARCH 31, 2008

	Major Funds		Non-major Fund	
	Oak Pointe	Lake Edgewood	Pine Creek	
	Water and Sewer	Water and Sewer	Water and Sewer	
	Systems Fund	Systems Fund	Systems Fund	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 60,054	\$ 33,014	\$ 165,537	\$ 258,605
Accounts receivable	420,526	94,894	56,126	571,546
Due from other funds	115,304	134,017	11,855	261,176
Inventory	30,000	2,000		32,000
Total current assets	625,884	263,925	233,518	1,123,327
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	1,532,116	2,261,241	158,866	3,952,223
Special assessments	1,636,176	2,996,989	53,203	4,686,368
Contract receivable - City of Brighton		154,800		154,800
Total restricted assets	3,168,292	5,413,030	212,069	8,793,391
<b>CAPITAL ASSETS</b>				
Land	358,855	260,009		618,864
Water and sewer systems	13,523,465	7,703,745		21,227,210
	13,882,320	7,963,754		21,846,074
Less accumulated depreciation	(4,114,893)	(1,533,478)		(5,648,371)
Capital assets, net	9,767,427	6,430,276		16,197,703
Total assets	13,561,603	12,107,231	445,587	26,114,421
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	32,504	28,919	66,647	128,070
Due to other funds	1,210,631	30,333	5,771	1,246,735
Total current liabilities	1,243,135	59,252	72,418	1,374,805
<b>CURRENT LIABILITIES (FROM RESTRICTED ASSETS)</b>				
Contracts payable		290,000	69,660	359,660
Bonds payable	255,000	155,000		410,000
Total current liabilities (from restricted assets)	255,000	445,000	69,660	769,660
<b>LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)</b>				
Contracts payable		3,410,000	69,660	3,479,660
Bonds payable	1,145,000	330,000		1,475,000
Total long-term liabilities (from restricted assets)	1,145,000	3,740,000	69,660	4,954,660
Total liabilities	2,643,135	4,244,252	211,738	7,099,125
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,367,427	2,245,276		10,612,703
Unrestricted	2,551,041	5,617,703	233,849	8,402,593
Total net assets	\$ 10,918,468	\$ 7,862,979	\$ 233,849	\$ 19,015,296

The notes are an integral part of the financial statements.



CHARTER TOWNSHIP OF GENOA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2008

	Major Funds		Non-major Fund	
	Oak Pointe	Lake Edgewood	Pine Creek	
	Water and Sewer	Water and Sewer	Water and Sewer	
	Systems Fund	Systems Fund	Systems Fund	Total
OPERATING REVENUES				
User charges	\$ 814,706	\$ 358,908	\$ 275,137	\$ 1,448,751
OPERATING EXPENSES				
Water and sewer usage		84,880	270,237	355,117
Repairs, maintenance and supplies	187,874	64,281	329	252,484
Laboratory costs	16,902	12,311		29,213
Contracted labor	321,339	94,822		416,161
Supplies	16,212	15,918		32,130
Utilities and telephone	107,946	51,896		159,842
Administration	40,392	14,006	13,999	68,397
Professional fees	54,600	17,649	500	72,749
Groundwater exceedence	25,020	17,681		42,701
Insurance	16,422	8,578		25,000
Depreciation	320,423	156,840		477,263
Director	29,052	9,356		38,408
Sludge disposal	22,853	18,968		41,821
Licenses, fees, permits	4,849	3,800		8,649
Total operating expenses	1,163,884	570,986	285,065	2,019,935
Operating income (loss)	(349,178)	(212,078)	(9,928)	(571,184)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees - assessments	652,433	59,400		711,833
Interest income - special assessments and reserves	128,224	323,197	7,329	458,750
Interest income - general	400	287	614	1,301
Interest expense - bonds	(51,706)	(244,088)		(295,794)
Other revenue (expense), net	8,618	2,471	132	11,221
Total non-operating revenues and (expenses)	737,969	141,267	8,075	887,311
Net income (loss)	388,791	(70,811)	(1,853)	316,127
NET ASSETS APRIL 1, 2007	10,529,677	7,933,790	235,702	18,699,169
NET ASSETS MARCH 31, 2008	\$ 10,918,468	\$ 7,862,979	\$ 233,849	\$ 19,015,296

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2008

	Major Funds		Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Receipts from customers	\$ 791,396	\$ 370,905	\$ 275,296	\$ 1,437,597
Payments to vendors	(844,728)	(433,881)	(273,958)	(1,552,567)
Net cash from (used in) operating activities	(53,332)	(62,976)	1,338	(114,970)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	82,427			82,427
Repayment of principal on bonds	(305,000)	(435,000)		(740,000)
Special assessment collections	210,009	315,037	52,910	577,956
Collections - City of Brighton - contract receivable		17,200		17,200
Payment - City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	128,224	323,197	7,329	458,750
Interest paid on bonds	(51,706)	(244,088)		(295,794)
Additions to systems	(184,850)			(184,850)
Other revenue	8,618	2,471		11,089
Net cash (used in) capital and related financing activities	(112,278)	(21,183)	(9,421)	(142,882)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Interest received from operations	400	286	614	1,300
Loans to other funds	(13,103)	(1,110)		(14,213)
Loans from other funds	232,967	18,701	3,230	254,898
Loans from others	1,690			1,690
Net cash from investing activities	221,954	17,877	3,844	243,675
Net increase (decrease) in cash and cash equivalents	56,344	(66,282)	(4,239)	(14,177)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2007	1,535,826	2,360,537	328,642	4,225,005
CASH AND CASH EQUIVALENTS AT MARCH 31, 2008	\$ 1,592,170	\$ 2,294,255	\$ 324,403	\$ 4,210,828
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (349,178)	\$ (212,078)	\$ (9,928)	\$ (571,184)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities				
Depreciation expense	320,423	156,840		477,263
Other income/expense			132	132
Changes in assets and liabilities				
Receivables, net	(23,310)	5,727	27	(17,556)
Inventory	(18,900)	(2,000)		(20,900)
Accounts and other payables	17,633	1,057	11,107	29,797
Due to others		(12,522)		(12,522)
Net cash from (used in) operating activities	\$ (53,332)	\$ (62,976)	\$ 1,338	\$ (114,970)

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA  
FIDUCIARY FUNDS  
STATEMENT OF ASSETS AND LIABILITIES  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 300,604

LIABILITIES

LIABILITIES

Deposits - escrows

\$ 68,011

Due to others

68,895

Due to other funds

163,698

Total liabilities

\$ 300,604

NOTES  
TO  
THE  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF GENOA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

CHARTER TOWNSHIP OF GENOA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Grand River Road and the Lake Edgewood West Water Debt Service Funds are both major governmental funds. These funds account for the collection of special assessments and payment of debt service for the debt issued to finance various utility system and road projects of the Township.

The Future Development Fire Fund accounts for the Township's construction of an additional fire station for its participation in an area fire authority.

The Township reports the following major enterprise funds.

Oak Pointe Water and Sewer System Fund accounts for the activity associated with operating the utility system at the Oak Pointe development.

The Lake Edgewood Water and Sewer Fund accounts for the activities associated with operating the utility system at the Lake Edgewood development.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

CHARTER TOWNSHIP OF GENOA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

CHARTER TOWNSHIP OF GENOA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. CAPITAL ASSETS**

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

**D. ACCRUED COMPENSATED ABSENCES**

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

**E. BUDGETARY DATA**

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budgets for the general, special revenue and debt service funds are approved by line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, lapse with the fiscal year end.



CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

For the year ended March 31, 2008, the Township recognized the property taxes levied December 1, 2007 as revenue.

Taxable Value:	\$ 1,162,692,151
Township Millage Rate:	0.81460

G. INVESTMENTS

Investments are stated at lower of cost or market.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

I. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

J. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended March 31, 2008 to fund future capital projects:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Future Development - Fire Fund	General Fund	\$ 925,000
Future Development - Parks Fund	General Fund	200,000
Building and Grounds Fund	General Fund	25,000
DPW/Utilities Reserve Fund	DPW Utilities Fund	10,000
		\$ 1,160,000

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Genoa as the primary government have been included in the financial statements.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. Genoa-Oceola Sewer and Water Authority - Charter Township of Genoa appoints two members of the authority's five member board. The authority is fiscally independent from the Township. The authority is audited as an independent entity in compliance with Public Act 2.
2. South Eastern Livingston County Recreation Authority - (SELCRA) - SELCRA is an interlocal agreement which includes the City of Brighton, Brighton Area Schools, Charter Township of Genoa and the Charter Township of Brighton. SELCRA is a component unit of Brighton Area Schools and is included as part of its reporting entity.
3. Brighton Area District Library - This unit is an interlocal agreement between the Charter Township of Brighton, City of Brighton and Charter Township of Genoa. A separate audit is conducted for this unit.
4. Southeast Michigan Council of Governments (SEMCOG) - SEMCOG is a regional organization of governments located in Livingston, Macomb and Monroe Counties. A separate audit is conducted for this unit.
5. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Charter Township of Genoa appoints two members of the Authority's eight member board. The authority is fiscally independent from the Township. The Authority is audited as an independent entity in compliance with Public Act 2.
6. Brighton Area Fire Authority - Charter Township of Genoa appoints two members of the Authority's eight member board. The Authority was incorporated July 1, 2000 and is audited as an independent entity in compliance with Public Act 2.
7. Howell Area Fire Authority - Charter Township of Genoa appoints one member of the Authority's six member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2. Effective July 1, 2007, Genoa Township was no longer a member of this authority.

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

**NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township maintains a \$200 imprest petty cash fund.

The Township board has designated nine banks for the deposit of Township funds. The investment policy adopted by the board is in accordance with Act 196 PA 1997.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank/Broker Balance</u>
Insured (FDIC)	\$	\$ 500,000	\$ 500,000	\$ 500,000
Uninsured and uncollateralized	300,604	16,393,147	16,693,751	17,037,614
Total deposits	<u>\$ 300,604</u>	<u>\$ 16,893,147</u>	<u>\$ 17,193,751</u>	<u>\$ 17,537,614</u>

The Township's cash and investments are subject to types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$17,037,614 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Concentration of Credit Risk**

The Township places no limit on the amount the Township may invest in any one issuer.

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the governmental funds for the year ended March 31, 2008 was as follows:

	Balance 4/1/07	Additions	Deletions	Balance 3/31/08
Land	\$ 295,000	\$	\$	\$ 295,000
Buildings and improvements	3,353,758	352,898		3,706,656
Machinery and equipment	355,413	81,223		436,636
Construction in progress		1,051,690		1,051,690
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	4,004,171	1,485,811		5,489,982
Accumulated depreciation	<hr/> (736,676)	<hr/> (129,039)	<hr/>	<hr/> (865,715)
	<hr/>	<hr/>	<hr/>	<hr/>
Governmental activities capital asset, net	<u><u>\$ 3,267,495</u></u>	<u><u>\$ 1,356,772</u></u>	<u><u>\$</u></u>	<u><u>\$ 4,624,267</u></u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 68,482
Public works	1,121
Fire protection	23,642
Parks and recreation	<u>35,794</u>
	<u><u>\$ 129,039</u></u>

Investment in capital asset, net of related debt at March 31, 2008	<u><u>\$ 4,624,267</u></u>
-----------------------------------------------------------------------	----------------------------

As of March 31, 2008 there was no debt outstanding that was related to the Township's governmental capital assets.

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 4 - CAPITAL ASSETS (continued)

A summary of proprietary fund type property and equipment as of March 31, 2008, is as follows:

OAK POINTE WATER AND SEWER SYSTEMS				
	Balance 4/1/07	Additions	Deletions	Balance 3/31/08
Land	\$ 358,855	\$	\$	\$ 358,855
Water system	4,602,493			4,602,493
Sewer system	8,736,122	184,850		8,920,972
Total	13,697,470	184,850		13,882,320
Less accumulated depreciation	(3,794,470)	(320,423)		(4,114,893)
Total	<u>\$ 9,903,000</u>	<u>\$ (135,573)</u>	<u>\$</u>	<u>\$ 9,767,427</u>
LAKE EDGEWOOD SEWER SYSTEM				
	Balance 4/1/07	Additions	Deletions	Balance 3/31/08
Land	\$ 260,009	\$	\$	\$ 260,009
Sewer system	7,703,745			7,703,745
Total	7,963,754			7,963,754
Less accumulated depreciation	(1,376,638)	(156,840)		(1,533,478)
Total	<u>\$ 6,587,116</u>	<u>\$ (156,840)</u>	<u>\$</u>	<u>\$ 6,430,276</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 4 - CAPITAL ASSETS (continued)

	TOTAL ALL ENTERPRISE FUNDS			Balance 3/31/08
	Balance 4/1/07	Additions	Deletions	
Land	\$ 618,864	\$	\$	\$ 618,864
Water and sewer systems	21,042,360	184,850		21,227,210
Total	21,661,224	184,850		21,846,074
Less accumulated depreciation	(5,171,108)	(477,263)		(5,648,371)
Total	<u>\$ 16,490,116</u>	<u>\$ (292,413)</u>	<u>\$</u>	<u>\$ 16,197,703</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 5 - LONG-TERM DEBT

The following is a summary of the Township's debt categorized for governmental and proprietary funds for the year ended March 31, 2008:

<u>Governmental Fund Long-Term Debt - Contracts Payable</u>	<u>4/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/2008</u>	<u>Current Portion</u>
1. Payable to Livingston County Department of Public Works, Joint Water Treatment Plant construction; contract with Marion, Howell and Oceola Townships; principal is payable in annual installments of \$80,000 to \$113,750 starting June 1, 2003 to 2016, interest at 2.8% to 4.6% payable semi-annually.	\$ 968,750	\$	\$ 80,000	\$ 888,750	\$ 80,000
2. Payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$56,304 to \$140,000; interest at 4% to 4.5%; maturity date is June 1, 2021.	<u>1,506,532</u>		<u>68,715</u>	<u>1,437,817</u>	<u>73,032</u>
Total governmental fund long-term debt - contracts payable	<u>\$ 2,475,282</u>	<u>\$</u>	<u>\$ 148,715</u>	<u>\$ 2,326,567</u>	<u>\$ 153,032</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 5 - LONG-TERM DEBT (continued)

<u>Governmental Fund Long-Term Debt - Bonds Payable</u>	<u>Balance 4/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2008</u>	<u>Current Portion</u>
1. Payable to Livingston County Drain Commission, Genoa-Oceola Sewer Drain No. 1, Drainage District Special assessment Bonds, Series 1991, (Phase II), payable in annual installments of \$215,050 to \$278,300 through 2011, dated June 27, 1991, interest at 2.0% (Charter Township of Genoa's portion 63.25%).	\$ 1,081,575	\$	\$ 262,485	\$ 819,090	\$ 268,813
2. Payable to Livingston County Drain Commission, Genoa-Oceola Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds. Series 1998, principal payable in annual installments of \$395,000 to \$410,000 starting May 1, 2002 through 2009, interest is charged at 4.2% to 4.25% payable semi-annually.	961,082		316,356	644,726	316,356
3. Payable to Michigan Municipal Bond Authority, Grand Oaks Industrial Park Water System Improvement Project, Special assessment bonds, dated December 9, 1998, payable in annual installments of \$25,000 and \$30,000 through November 1, 2018, interest is charged at 3.65% to 5% semi-annually.	325,000		30,000	295,000	25,000
4. Payable to Michigan Municipal Bond Authority, Grand River Road Improvement Project, special assessment bonds, dated June 23, 2003, payable in annual installments of \$75,000 and \$80,000 through November 1, 2019, interest is charged at 4.50% to 6.35% semi-annually.	975,000		75,000	900,000	75,000
5. Payable to National City Bank, special assessment bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa-Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$35,000 and \$170,000 through November 1, 2021, interest varying from 4% to 5%.	2,380,000		170,000	2,210,000	170,000



6. Payable to Fifth Third Bank, special assessments bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa - Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.	610,000		40,000	570,000	40,000
7. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, refunding bonds (local project bonds), dated May 13, 2005, Series 2005, payable in annual installments of \$50,000 to \$60,000 through December 1, 2013, interest varying from 2.0% to 4.0%.	385,000		50,000	335,000	55,000
8. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, refunding bond (local project bonds) dated May 13, 2005, Series 2005, payable in annual installments of \$100,000 to \$115,000 through 2014, interest varying from 2.0% to 4.0%.	<u>865,000</u>	<u></u>	<u>100,000</u>	<u>765,000</u>	<u>105,000</u>
Total governmental fund long-term debt - bonds payable	<u>\$ 7,582,657</u>	<u>\$</u>	<u>\$ 1,043,841</u>	<u>\$ 6,538,816</u>	<u>\$ 1,055,169</u>
Total governmental fund long-term debt	<u>\$ 10,057,939</u>	<u>\$</u>	<u>\$ 1,192,556</u>	<u>\$ 8,865,383</u>	<u>\$ 1,208,201</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 5 - LONG-TERM DEBT (continued)

<u>Proprietary Long-Term Debt - Contracts Payable</u>	<u>Balance 4/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2008</u>	<u>Current Portion</u>
1. Payable to City of Brighton, wastewater treatment and water service contract for Pine Creek subdivision, payable in annual installments of \$69,660 principal only on December 4 through 2009	\$ 208,980	\$	\$ 69,660	\$ 139,320	\$ 69,660
2. Payable to Livingston County Department of Public Works, Lake Edgewood Water Expansion, principal is payable in annual installments of \$25,000 to \$30,000 through May 1, 2017, interest is charged at 4.3% to 5.4% payable semi-annually.	280,000		25,000	255,000	25,000
3. Payable to Livingston County Department of Public Works, Lake Edgewood West Sewer Expansion, principal is payable in annual installments of \$110,000 to \$265,000 through May 1, 2020, interest is charged at 5.0% to 5.75% semi-annually.	<u>3,710,000</u>		<u>265,000</u>	<u>3,445,000</u>	<u>265,000</u>
Total proprietary long-term debt - contracts payable	<u>\$ 4,198,980</u>	<u>\$</u>	<u>\$ 359,660</u>	<u>\$ 3,839,320</u>	<u>\$ 359,660</u>

Proprietary Long-Term Debt - Bonds Payable

1. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1988, Homestead Road Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$10,000 to \$45,000 through 2007, interest varying from 5.65% to 7.75%.	\$ 45,000	\$	\$ 45,000	\$	\$
2. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1989, (Lake Edgewood Water and Sewer Systems-Phase I), payable in annual installments of \$5,000 to \$125,000 through 2009, interest varying from 6.55% to 9.95%.	350,000		110,000	240,000	115,000

3. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1991, Tri-Lakes Area Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$120,000 to \$155,000 through 2011, interest at 2.0%.	775,000		155,000	620,000	155,000
4. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1992, (Lake Edgewood Water and Sewer Systems - Phase II), payable in annual installments of \$4,000 to \$25,000 through 2012, interest varying from 3.3% to 6.65%.	135,000		20,000	115,000	20,000
5. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1993, (Lake Edgewood Water and Sewer Systems - Phase III), payable in annual installments of \$9,000 to \$25,000 through 2013 interest varying from 3.5% to 7.5%.	145,000		15,000	130,000	20,000
6. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1995, (Northeast Tri-Lakes Sewer System), payable in annual installments of \$20,000 to \$40,000 through 2015, interest varying from 5.0% to 7%.	330,000		40,000	290,000	35,000
7. Payable to Michigan Municipal Bond Authority refunding bond, special assessment bonds, Series 2005, (Oak Pointe Water Improvement System), payable in annual installments of \$60,000 to \$75,000 through 2014, interest varying from 2% to 4%.	555,000		65,000	490,000	65,000
Total proprietary long-term debt - bonds payable	<u>\$ 2,335,000</u>	<u>\$</u>	<u>\$ 450,000</u>	<u>\$ 1,885,000</u>	<u>\$ 410,000</u>
Total proprietary long-term debt	<u>\$ 6,533,980</u>	<u>\$</u>	<u>\$ 809,660</u>	<u>\$ 5,724,320</u>	<u>\$ 769,660</u>
Total Township debt	<u>\$ 16,591,919</u>	<u>\$</u>	<u>\$ 2,002,216</u>	<u>\$ 14,589,703</u>	<u>\$ 1,977,861</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

**NOTE 5 - LONG-TERM DEBT (continued)**

The following is a schedule of principal and interest payments to service the long-term debt of the Township:

	Contracts Payable		Bonds Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2008 - 2009	\$ 512,692	\$ 302,554	\$ 1,465,169	\$ 341,920	\$ 1,977,861	\$ 644,474
2009 - 2010	520,735	279,268	1,490,345	282,971	2,011,080	562,239
2010 - 2011	455,640	255,817	1,063,302	237,550	1,518,942	493,367
2011 - 2012	458,682	231,260	785,000	199,703	1,243,682	430,963
2012 - 2013	488,247	207,067	630,000	168,705	1,118,247	375,772
2013 - 2018	2,416,060	652,925	2,130,000	472,643	4,546,060	1,125,568
2018 - 2022	1,313,831	119,531	860,000	68,974	2,173,831	188,505
Total	<u>\$ 6,165,887</u>	<u>\$ 2,048,422</u>	<u>\$ 8,423,816</u>	<u>\$ 1,772,466</u>	<u>\$ 14,589,703</u>	<u>\$ 3,820,888</u>

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables at March 31, 2008 represent short-term borrowings and amounts owed for reimbursements between other funds. The total interfund receivable and payable at March 31, 2008 is \$1,749,480.

	Receivable	Payable
General Fund	\$ 369,894	\$ 477
Oak Pointe	115,304	1,210,631
Pine Creek	11,855	5,771
Lake Edgewood	134,017	30,333
G/O Phase I sewer/new user	970,000	
Future Development - fire		4,637
G/O Plant Expansion	110,000	
Deposit Trust		315
Utility Escrow		156,090
Liquor Law		12,325
Trust and Agency		50
Current Tax		7,243
Grand River Water New User	12,000	
Future Development - recreation		7,500
Utilities/DPW	26,410	312,824
Tri-Lakes Road Debt Service		1,284
Totals	<u>\$ 1,749,480</u>	<u>\$ 1,749,480</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

**NOTE 7 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

Selected financial information with respect to the three enterprise funds maintained by the Township for water and sewer service is as follows:

	<u>Oak Pointe</u>	<u>Lake Edgewood</u>	<u>Pine Creek</u>	<u>Total</u>
Operating revenues	\$ 814,706	\$ 358,908	\$ 275,137	\$ 1,448,751
Depreciation	320,423	156,840		477,263
Operating income (loss)	(349,178)	(212,078)	(9,928)	(571,184)
Net working capital	(887,704)	204,673	161,100	(521,931)
Total assets	13,561,603	12,107,231	445,587	26,114,421
Retained earnings	10,918,468	7,862,979	233,849	19,015,296

**NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the period.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and cash equivalents:

	<u>4/01/07</u>	<u>3/31/08</u>
Current assets		
Cash and cash equivalents	<u>\$ 279,781</u>	<u>\$ 258,605</u>
Restricted assets		
Cash and cash equivalents	<u>\$ 3,945,224</u>	<u>\$ 3,952,223</u>

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 9 - PENSION PLAN (DEFINED CONTRIBUTION PLAN)

The Township of Genoa has adopted the Principal Financial Group Money Purchase Pension Plan, a defined contribution plan with an effective date of July 1, 1991. The Township is making contributions to the plan on behalf of all eligible employees. Eligible employees are employees who have been employed for one whole year with a minimum of 1,000 hours of service. The Township's payroll for employees covered by the plan for the year ended March 31, 2008 was \$790,843, the Township's total payroll was \$923,875.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participants account. Contributions, required solely by the Township vest 100% in the initial year of vesting service. An employee who leaves the employment of the Township for reasons other than death, total disability or normal retirement is entitled to the Township's contributions if vesting requirements are satisfied. The Township is required to contribute an amount equal to 10% of the employee's annual compensation.

Total covered payroll	\$	790,843
Total contributions	\$	79,084
Contributions as a % of covered payroll		10.00%

NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN)

The Township of Genoa participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. Only the Township Manager and Public Utilities Director are eligible to participate in the plan with a total covered payroll of \$158,369. Total contributions made for the year ended March 31, 2008 totaled \$14,025. Contributions are 8.82% of covered payroll.

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

**NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN) (continued)**

At December 31, 2006, the unfunded pension benefit obligation was \$9,056, determined as follows:

Actuarial accrued liability	
Retirees and beneficiaries currently receiving benefits	\$ 0
Terminated employees not yet receiving benefits	0
Current employees	
Accumulated employee contribution, including allocated investment income	1,778
Employer financed	<u>42,982</u>
 Total actuarial accrued liabilities	 44,760
 Net assets available for benefits, at cost (at market \$21,640)	 <u>35,704</u>
 Unfunded (overfunded) actuarial accrued liabilities	 <u>\$ 9,056</u>
 Fiscal Year Beginning	 April 1, 2007
 Annual Required Contribution (ARC)	 \$ 12,084
 Amortization Factor Used - Under funded Liabilities (30 years)	 0.054719

**NOTE 11 - MANAGEMENT ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 12 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF GENOA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 13 - CONTINGENT LIABILITIES

A. Wastewater Treatment System - Lake Edgewood

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softener backwash from the sanitary sewers.

A remedial investigation that delineated the extent of the plume was completed in 2002. The plume extends approximately ¼ mile southeast of the Wastewater Treatment Plant and discharges in Brighton Township to Woodland Lake. The MDEQ approved an Interim Remedial Action Plan (IRAP) which requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the year ending March 31, 2008, the Township spent approximately \$25,020, to complete the annual groundwater sampling event, to provide reverse osmosis units to several residential homes in the area and to complete water softener inspections. The amount of additional costs for April 1, 2008 - March 31, 2009 is estimated to be \$25,000. This cost includes conducting monitoring, corrective action and source control.

B. Wastewater Treatment System - Oak Pointe

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softeners backwash from the sanitary sewers. An investigation of the contaminated groundwater plume was completed in 2002. The plume has been shown to extend approximately one-half mile southwest of the WWTP toward Chilson Road.

The MDEQ approved Interim Response Activities Designed to Meet Criteria Report (IRDC) which requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the year ending March 31, 2008, the Township spent approximately \$17,681 to complete a groundwater sampling event, to complete a residential sampling event, and to provide and maintain reverse osmosis systems. The amount of additional costs for April 1, 2008 - March 31, 2009 is estimated to be \$30,000. This cost includes annual monitoring activities, corrective action and source control activities.



REQUIRED  
SUPPLEMENTARY  
INFORMATION

CHARTER TOWNSHIP OF GENOA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	Budget Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES	\$ 3,566,650	\$ 3,563,839	\$ 3,688,375	\$ 124,536
EXPENDITURES	<u>3,244,300</u>	<u>2,806,800</u>	<u>2,764,541</u>	<u>42,259</u>
Excess of revenues over (under) expenditures	322,350	757,039	923,834	166,795
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(500,000)</u>	<u>(1,150,000)</u>	<u>(1,150,000)</u>	
Net change in fund balance	(177,650)	(392,961)	(226,166)	166,795
FUND BALANCE, APRIL 1, 2007	<u>1,723,351</u>	<u>1,723,351</u>	<u>1,723,351</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 1,545,701</u>	<u>\$ 1,330,390</u>	<u>\$ 1,497,185</u>	<u>\$ 166,795</u>

CHARTER TOWNSHIP OF GENOA  
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2008

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

TOWNSHIP MANAGER AND UTILITY DIRECTOR

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	Unfunded (Overfunded ) <u>Accrued Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2002	\$ 4,741	\$ 1,870	\$ (2,871)	(153.5%)	\$ 71,339	(3.9)%
December 31, 2003	\$ 10,896	\$ 11,154	\$ 258	97.7%	\$ 74,467	.3 %
December 31, 2004	\$ 16,079	\$ 19,004	\$ 2,925	84.6%	\$ 75,004	3.9%
December 31, 2005	\$ 22,226	\$ 28,287	\$ 6,061	78.6%	\$ 80,993	7.5%
December 31, 2006	\$ 35,704	\$ 44,760	\$ 9,056	79.8%	\$ 109,884	.8%

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF GENOA  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2008

	Liquor Law Enforcement Fund	Road Improvement Fund	Reimbursable Road Projects Fund	Future Development Parks, Paths and Recreation Fund
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 16,794	\$ 1,183,120	\$ 680,713	\$ 810,657
Special assessments receivable			297,725	
Prepaid expenditures		115,000		
Due from others				
Due from other funds				
Inventory				
Total assets	<u>\$ 16,794</u>	<u>\$ 1,298,120</u>	<u>\$ 978,438</u>	<u>\$ 810,657</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$	\$	\$
Due to other funds	12,325			7,500
Deferred revenues		115,000	282,382	
Accrued wages				
Total liabilities	12,325	115,000	282,382	7,500
FUND BALANCE	<u>4,469</u>	<u>1,183,120</u>	<u>696,056</u>	<u>803,157</u>
Total liabilities and fund balance	<u>\$ 16,794</u>	<u>\$ 1,298,120</u>	<u>\$ 978,438</u>	<u>\$ 810,657</u>

The notes are an integral part of the financial statements.

PFEFFER, HANNIFORD & PALKA

*Certified Public Accountants*

Buildings and Grounds Reserve Fund	Utilities/DPW Fund	Utilities/DPW Reserve Fund	Total
\$ 79,017	\$ 216,215	\$ 10,001	\$ 2,996,517
			297,725
			115,000
	100,327		100,327
	26,410		26,410
	4,986		4,986
<u>\$ 79,017</u>	<u>\$ 347,938</u>	<u>\$ 10,001</u>	<u>\$ 3,540,965</u>

\$	\$ 5,356	\$	\$ 5,356
	312,823		332,648
			397,382
	12,373		12,373
	330,552		747,759
<u>79,017</u>	<u>17,386</u>	<u>10,001</u>	<u>2,793,206</u>
<u>\$ 79,017</u>	<u>\$ 347,938</u>	<u>\$ 10,001</u>	<u>\$ 3,540,965</u>

CHARTER TOWNSHIP OF GENOA  
ALL DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2008

	Dorr Road Water and Sewer Fund	Tri-Lakes Road Fund	Genoa/Oceola Phase I Sewer Fund	Genoa-Oceola Phase II Sewer Fund
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 127,354	\$ 168,918	\$ 410,039	\$ 490,967
Special assessments receivable	329,550	303,833	224,316	588,308
Due from other funds				
Total assets	<u>\$ 456,904</u>	<u>\$ 472,751</u>	<u>\$ 634,355</u>	<u>\$ 1,079,275</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Due to other funds	\$	\$ 1,284	\$	\$
Deferred revenues	<u>329,550</u>	<u>297,063</u>	<u>206,792</u>	<u>560,964</u>
Total liabilities	329,550	298,347	206,792	560,964
FUND BALANCE	<u>127,354</u>	<u>174,404</u>	<u>427,563</u>	<u>518,311</u>
Total liabilities and fund balance	<u>\$ 456,904</u>	<u>\$ 472,751</u>	<u>\$ 634,355</u>	<u>\$ 1,079,275</u>



Grand River Water Fund	Grand Oaks Water Fund	Grand River Road Fund	Lake Edgewood West Water Fund	MHOG Plant Expansion Fund	Genoa-Oceola Plant Expansion Fund	Totals
\$ 343,538	\$ 189,216	\$ 134,890	\$ 422,344	\$ 1,006,083	\$ 1,918,516	\$ 5,211,865
638,548	225,501	718,107	1,907,958		110,000	4,936,121
						110,000
<u>\$ 982,086</u>	<u>\$ 414,717</u>	<u>\$ 852,997</u>	<u>\$ 2,330,302</u>	<u>\$ 1,006,083</u>	<u>\$ 2,028,516</u>	<u>\$ 10,257,986</u>
\$ 630,106	\$ 220,906	\$ 709,366	\$ 1,816,908	\$	\$	\$ 1,284
						4,771,655
630,106	220,906	709,366	1,816,908			4,772,939
351,980	193,811	143,631	513,394	1,006,083	2,028,516	5,485,047
<u>\$ 982,086</u>	<u>\$ 414,717</u>	<u>\$ 852,997</u>	<u>\$ 2,330,302</u>	<u>\$ 1,006,083</u>	<u>\$ 2,028,516</u>	<u>\$ 10,257,986</u>

CHARTER TOWNSHIP OF GENOA  
ALL CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2008

	<u>Grand River Water New User Fund</u>	<u>Genoa-Oceola Phase I Sewer New User Fund</u>	<u>Genoa-Oceola Phase II Sewer New User Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 796,353	\$ 650,315	\$ 1,581,823
Special assessments receivable			277,615
Due from others		281,000	250,000
Due from other funds	<u>12,000</u>	<u>970,000</u>	<u></u>
Total assets	<u><u>\$ 808,353</u></u>	<u><u>\$ 1,901,315</u></u>	<u><u>\$ 2,109,438</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Due to other funds	\$	\$	\$
Deferred revenues	<u></u>	<u></u>	<u>258,653</u>
Total liabilities			258,653
FUND BALANCE	<u>808,353</u>	<u>1,901,315</u>	<u>1,850,785</u>
Total liabilities and fund balance	<u><u>\$ 808,353</u></u>	<u><u>\$ 1,901,315</u></u>	<u><u>\$ 2,109,438</u></u>

Future Development Fire Fund	Total
\$ 79,595	\$ 3,108,086
	277,615
	531,000
	982,000
<u>\$ 79,595</u>	<u>\$ 4,898,701</u>

\$ 4,637	\$ 4,637
	258,653
4,637	263,290
<u>74,958</u>	<u>4,635,411</u>
<u>\$ 79,595</u>	<u>\$ 4,898,701</u>

CHARTER TOWNSHIP OF GENOA  
ALL ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2008

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 60,054	\$ 33,014	\$ 165,537	\$ 258,605
Accounts receivable	150,073	94,894	56,126	301,093
Due from other funds	115,304	134,017	11,855	261,176
Inventory	30,000	2,000		32,000
Total current assets	355,431	263,925	233,518	852,874
Restricted Assets				
Cash and cash equivalents				
Future improvements	318,798	691,076		1,009,874
Debt service	1,213,318	1,570,165	158,866	2,942,349
Special assessments receivable	1,636,176	2,996,989	53,203	4,686,368
Contract receivable - City of Brighton		154,800		154,800
Total restricted assets	3,168,292	5,413,030	212,069	8,793,391
Property, Plant and Equipment				
Land	358,855	260,009		618,864
Water and sewer systems	13,523,465	7,703,745		21,227,210
	13,882,320	7,963,754		21,846,074
Less accumulated depreciation	4,114,893	1,533,478		5,648,371
Net property, plant and equipment	9,767,427	6,430,276		16,197,703
Other assets				
Due from Brownfield	270,453			270,453
Total assets	\$ 13,561,603	\$ 12,107,231	\$ 445,587	\$ 26,114,421

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Current Liabilities				
Accounts payable	\$ 30,813	\$ 28,073	\$ 66,647	\$ 125,533
Due to other funds	1,210,631	30,333	5,771	1,246,735
Due to others	1,691	846		2,537
	<u>1,243,135</u>	<u>59,252</u>	<u>72,418</u>	<u>1,374,805</u>
Total current liabilities				
Current liabilities (from restricted assets)				
Special assessment bonds	255,000	155,000		410,000
Contracts payable		290,000	69,660	359,660
	<u>255,000</u>	<u>445,000</u>	<u>69,660</u>	<u>769,660</u>
Total current liabilities (from restricted assets)				
Long-Term Liabilities (from restricted assets)				
Special assessment bonds	1,145,000	330,000		1,475,000
Contracts payable		3,410,000	69,660	3,479,660
	<u>1,145,000</u>	<u>3,740,000</u>	<u>69,660</u>	<u>4,954,660</u>
Total long-term liabilities (from restricted assets)				
Total liabilities	<u>2,643,135</u>	<u>4,244,252</u>	<u>211,738</u>	<u>7,099,125</u>
Fund Equity				
Retained earnings				
Reserved	10,465,763	7,993,861	137,849	18,597,473
Unreserved	452,705	(130,882)	96,000	417,823
	<u>10,918,468</u>	<u>7,862,979</u>	<u>233,849</u>	<u>19,015,296</u>
Total fund equity				
Total liabilities and fund equity	<u>\$ 13,561,603</u>	<u>\$ 12,107,231</u>	<u>\$ 445,587</u>	<u>\$ 26,114,421</u>

Utility Escrow Fund	Deposit Trust Fund	Current Tax Fund	Trust and Agency Fund	Total
\$ 224,428	\$ 68,326	\$ 7,516	\$ 334	\$ 300,604
\$ 156,090	\$ 68,011	\$ 7,243	\$ 50	\$ 68,011
68,338	315	273	284	163,698
				68,895
\$ 224,428	\$ 68,326	\$ 7,516	\$ 334	\$ 300,604

CHARTER TOWNSHIP OF GENOA  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2008

	Liquor Law Enforcement Fund	Road Improvement Fund	Reimbursable Road Projects Fund	Future Development Parks, Paths and Recreation Fund	Buildings and Grounds Reserve Fund	Utilities/DPW Fund	Utilities/DPW Reserve Fund	Total
REVENUES								
Special assessments	\$	\$	\$ 269,024	\$	\$	\$	\$	\$ 269,024
Intergovernmental - state	12,814							12,814
Administration fees						384,326		384,326
Interest and other	84	33,758	7,693	28,313	2,701	4,554	1	77,104
Total revenues	12,898	33,758	276,717	28,313	2,701	388,880	1	743,268
EXPENDITURES								
Parks				368,900				368,900
Public works and roads			81,148			362,611		443,759
Inspection fees	7,500							7,500
Payroll taxes	574							574
Miscellaneous	4,350							4,350
Total expenditures	12,424		81,148	368,900		362,611		825,083
Excess of revenues over (under) expenditures	474	33,758	195,569	(340,587)	2,701	26,269	1	(81,815)
OTHER FINANCING SOURCES (USES)								
Transfers in				200,000	25,000		10,000	235,000
Transfers (out)						(10,000)		(10,000)
Total other financing sources (uses)				200,000	25,000	(10,000)	10,000	225,000
Net change in fund balance	474	33,758	195,569	(140,587)	27,701	16,269	10,001	143,185
FUND BALANCE, APRIL 1, 2007	3,995	1,149,362	500,487	943,744	51,316	1,117		2,650,021
FUND BALANCE, MARCH 31, 2008	\$ 4,469	\$ 1,183,120	\$ 696,056	\$ 803,157	\$ 79,017	\$ 17,386	\$ 10,001	\$ 2,793,206

CHARTER TOWNSHIP OF GENOA  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2008

	Dorr Road Water and Sewer Fund	Tri-Lakes Road Fund	Genoa/Oceola Phase I Sewer Fund	Genoa-Oceola Phase II Sewer Fund
REVENUES				
Special assessments - principal	\$ 25,350	\$ 63,808	\$ 217,857	\$ 200,049
Special assessments- interest	20,549	16,776	33,330	15,214
Interest	1,956	4,490	4,712	24,975
Total revenues	<u>47,855</u>	<u>85,074</u>	<u>255,899</u>	<u>240,238</u>
EXPENDITURES				
Bond repayment				
Principal	40,000	50,000	316,356	262,488
Interest	27,100	11,941	34,123	21,630
Miscellaneous	250	3,208	641	400
Total expenditures	<u>67,350</u>	<u>65,149</u>	<u>351,120</u>	<u>284,518</u>
Net change in fund balance	(19,495)	19,925	(95,221)	(44,280)
FUND BALANCE, APRIL 1, 2007	<u>146,849</u>	<u>154,479</u>	<u>522,784</u>	<u>562,591</u>
FUND BALANCE, MARCH 31, 2008	<u>\$ 127,354</u>	<u>\$ 174,404</u>	<u>\$ 427,563</u>	<u>\$ 518,311</u>



Grand River Water Fund	Grand Oaks Water Fund	Grand River Road Fund	Lake Edgewood West Water Fund	MHOG Plant Expansion Fund	Genoa-Oceola Plant Expansion Fund	Totals
\$ 111,018	\$ 69,450	\$ 65,428	\$ 130,583	\$	\$	\$ 883,543
35,703	16,615	47,403	167,426			353,016
8,579	5,706	1,014	7,234	43,970	83,150	185,786
<u>155,300</u>	<u>91,771</u>	<u>113,845</u>	<u>305,243</u>	<u>43,970</u>	<u>83,150</u>	<u>1,422,345</u>
100,000	30,000	75,000	170,000	80,000	68,715	1,192,559
27,801	14,753	45,938	129,434	46,072	65,051	423,843
500	800	830	500	356	200	7,685
<u>128,301</u>	<u>45,553</u>	<u>121,768</u>	<u>299,934</u>	<u>126,428</u>	<u>133,966</u>	<u>1,624,087</u>
26,999	46,218	(7,923)	5,309	(82,458)	(50,816)	(201,742)
<u>324,981</u>	<u>147,593</u>	<u>151,554</u>	<u>508,085</u>	<u>1,088,541</u>	<u>2,079,332</u>	<u>5,686,789</u>
<u>\$ 351,980</u>	<u>\$ 193,811</u>	<u>\$ 143,631</u>	<u>\$ 513,394</u>	<u>\$ 1,006,083</u>	<u>\$ 2,028,516</u>	<u>\$ 5,485,047</u>

CHARTER TOWNSHIP OF GENOA  
ALL CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2008

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund	Future Development Fire Fund	Total
REVENUES					
New user tap-in fees	\$ 92,400	\$ 61,970	\$ 16,390	\$	\$ 170,760
Special assessments - principal			16,166		16,166
Special assessments - interest			13,741		13,741
Interest	25,076	22,647	56,705	1,577	106,005
Miscellaneous	5,375				5,375
Total revenues	122,851	84,617	103,002	1,577	312,047
EXPENDITURES					
Professional services	112,250	1,750	2,625		116,625
Expansion and construction	150,597		113,098	1,050,086	1,313,781
Total expenditures	262,847	1,750	115,723	1,050,086	1,430,406
Excess of revenues over (under) expenditures	(139,996)	82,867	(12,721)	(1,048,509)	(1,118,359)
OTHER FINANCING SOURCES (USES)					
Transfers in				925,000	925,000
Net change in fund balance	(139,996)	82,867	(12,721)	(123,509)	(193,359)
FUND BALANCE, APRIL 1, 2007	948,349	1,818,448	1,863,506	198,467	4,828,770
FUND BALANCE, MARCH 31, 2008	\$ 808,353	\$ 1,901,315	\$ 1,850,785	\$ 74,958	\$ 4,635,411

CHARTER TOWNSHIP OF GENOA  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31, 2008

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
OPERATING REVENUES				
User charges	\$ 814,706	\$ 358,908	\$ 275,137	\$ 1,448,751
OPERATING EXPENSES				
Water and sewer usage		84,880	270,237	355,117
Repairs, maintenance	187,874	64,281	329	252,484
Laboratory costs	16,902	12,311		29,213
Contracted labor	321,339	94,822		416,161
Supplies	16,212	15,918		32,130
Utilities and telephone	107,946	51,896		159,842
Administration	40,392	14,006	13,999	68,397
Professional fees	54,600	17,649	500	72,749
Groundwater exceedence	25,020	17,681		42,701
Insurance	16,422	8,578		25,000
Depreciation	320,423	156,840		477,263
Director	29,052	9,356		38,408
Sludge disposal	22,853	18,968		41,821
Licenses, fees, permits	4,849	3,800		8,649
Total operating expenses	1,163,884	570,986	285,065	2,019,935
Operating (loss)	(349,178)	(212,078)	(9,928)	(571,184)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees - assessments	652,433	59,400		711,833
Interest income - special assessments and reserves	128,224	323,197	7,329	458,750
Interest income - general	400	287	614	1,301
Interest expense - bonds	(51,706)	(244,088)		(295,794)
Other revenue (expense), net	8,618	2,471	132	11,221
Total non-operating revenues and (expenses)	737,969	141,267	8,075	887,311
Net income (loss)	388,791	(70,811)	(1,853)	316,127
RETAINED EARNINGS, APRIL 1, 2007	10,529,677	7,933,790	235,702	18,699,169
RETAINED EARNINGS, MARCH 31, 2008	\$ 10,918,468	\$ 7,862,979	\$ 233,849	\$ 19,015,296

CHARTER TOWNSHIP OF GENOA  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 791,396	\$ 370,905	\$ 275,296	\$ 1,437,597
Payments to vendors	<u>(844,728)</u>	<u>(433,881)</u>	<u>(273,958)</u>	<u>(1,552,567)</u>
Net cash from (used in) operating activities	<u>(53,332)</u>	<u>(62,976)</u>	<u>1,338</u>	<u>(114,970)</u>
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Connection fees	82,427			82,427
Repayment of principal on bonds	(305,000)	(435,000)		(740,000)
Special assessment collections	210,009	315,037	52,910	577,956
Collections City of Brighton - contract receivable		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	128,224	323,197	7,329	458,750
Interest paid on bonds	(51,706)	(244,088)		(295,794)
Additions to systems	(184,850)			(184,850)
Other revenue	<u>8,618</u>	<u>2,471</u>		<u>11,089</u>
Net cash (used in) capital and related financing activities	<u>(112,278)</u>	<u>(21,183)</u>	<u>(9,421)</u>	<u>(142,882)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>				
Interest received from operations	400	286	614	1,300
Loans to other funds	(13,103)	(1,110)		(14,213)
Loans from other funds	232,967	18,701	3,230	254,898
Loans from others	<u>1,690</u>			<u>1,690</u>
Net cash from investing activities	<u>221,954</u>	<u>17,877</u>	<u>3,844</u>	<u>243,675</u>
Net increase (decrease) in cash and cash equivalents	56,344	(66,282)	(4,239)	(14,177)
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2007</b>	<u>1,535,826</u>	<u>2,360,537</u>	<u>328,642</u>	<u>4,225,005</u>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2008</b>	<u>\$ 1,592,170</u>	<u>\$ 2,294,255</u>	<u>\$ 324,403</u>	<u>\$ 4,210,828</u>

INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF GENOA  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,366,051
State shared revenue receivable	253,065
Taxes receivable	124,503
Other receivables	12,100
Due from other funds	369,894
Prepaid expenditures	<u>38,285</u>
Total assets	<u>\$ 2,163,898</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 33,921
Accrued payroll and compensated absences	56,576
Due to area utilities	6,416
Due to other funds	477
Deferred revenue	<u>569,323</u>

Total liabilities \$ 666,713

FUND BALANCE 1,497,185

Total liabilities and fund balance \$ 2,163,898

CHARTER TOWNSHIP OF GENOA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 3,563,839	\$ 3,688,375	\$ 124,536
EXPENDITURES	<u>2,806,800</u>	<u>2,764,541</u>	<u>42,259</u>
Excess of revenues over (under) expenditures	757,039	923,834	166,795
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(1,150,000)</u>	<u>(1,150,000)</u>	<u>                    </u>
Net changes in fund balance	(392,961)	(226,166)	166,795
FUND BALANCE, APRIL 1, 2007	<u>1,723,351</u>	<u>1,723,351</u>	<u>                    </u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,330,390</u></u>	<u><u>\$ 1,497,185</u></u>	<u><u>\$ 166,795</u></u>



CHARTER TOWNSHIP OF GENOA  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 951,500	\$ 947,883	\$ (3,617)
Penalties and interest on taxes	2,700	3,028	328
Election reimbursement	13,495	13,495	
Cemetery sales		1,605	1,605
Dog license		1,433	1,433
Tax collection fees	358,516	370,276	11,760
Licenses and permits	16,500	17,676	1,176
Cable franchise fees	225,000	233,214	8,214
Trailer fees	3,000	3,447	447
State shared revenues	1,000,000	1,080,898	80,898
Application fees	65,000	49,586	(15,414)
Refuse collection fees	645,000	626,316	(18,684)
Printing fees	500	388	(112)
Liquor law administration fees	5,000	3,500	(1,500)
Land transfer - taxes	155,000	156,977	1,977
Metro Act	13,500	12,100	(1,400)
Street lights	628	629	1
Rent	51,000	51,689	689
Interest	50,000	110,788	60,788
Miscellaneous	7,500	3,447	(4,053)
	<u>\$ 3,563,839</u>	<u>\$ 3,688,375</u>	<u>\$ 124,536</u>
Total revenues			

CHARTER TOWNSHIP OF GENOA  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries - trustees	\$ 30,000	\$ 26,900	\$ 3,100
Salary - supervisor	47,500	47,500	
Salary - manager	92,500	91,627	873
Salaries - elections	35,000	32,418	2,582
Salaries - contractual	240,000	223,036	16,964
Professional services - legal	125,000	166,379	(41,379)
Salary - clerk	46,500	46,500	
Professional services - auditor	16,000	15,200	800
Professional services - engineers	75,000	47,837	27,163
Tax roll preparation - Livingston County	5,000		5,000
Salaries - board of review	2,500		2,500
Refunds and charge backs	10,000	3,120	6,880
Salary - treasurer	46,500	46,500	
Repairs and maintenance - equipment	50,000	61,167	(11,167)
Insurance	260,000	219,545	40,455
Public utilities	18,000	16,609	1,391
Salaries - other	200,000	199,948	52
Retirement - pensions	80,000	76,210	3,790
Office supplies	90,000	81,830	8,170
Telephone	14,000	14,137	(137)
Travel	3,000	1,098	1,902
Auto lease and allowance	10,500	10,358	142
Escrow loss	2,000		2,000
Dues	21,000	18,950	2,050
Regional meeting fees	25,000	21,726	3,274
Application fees	75,000	69,225	5,775
Salaries - planning/zoning	24,000	21,705	2,295
Salary - ordinance enforcement	39,000	37,314	1,686
Road improvements	10,000	2,100	7,900
Refuse	825,000	825,337	(337)
Dust control	72,000	71,690	310
Storm water mandate	5,000	3,757	1,243
White Pines street lighting	800	576	224
Fire substation	16,000	19,541	(3,541)
Parks and recreation	90,000	91,210	(1,210)
Drain advances	35,000	33,803	1,197
Capital outlay	5,000	62,451	(57,451)
Payroll taxes	65,000	57,237	7,763
Total expenditures	<u>\$ 2,806,800</u>	<u>\$ 2,764,541</u>	<u>42,259</u>

LIQUOR LAW ENFORCEMENT  
FUND

CHARTER TOWNSHIP OF GENOA  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 16,794

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 12,325

FUND BALANCE

4,469

Total liabilities and fund balance

\$ 16,794

CHARTER TOWNSHIP OF GENOA  
LIQUOR LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Liquor license fees	\$	\$ 12,814	\$
Interest		84	
	<u>12,050</u>	<u>12,898</u>	<u>848</u>
Total revenues			
EXPENDITURES			
Inspection fees		7,500	
Payroll taxes		574	
Administration		3,500	
Retirement		750	
Miscellaneous		100	
	<u>12,265</u>	<u>12,424</u>	<u>(159)</u>
Total expenditures			
Net change in fund balance	(215)	474	689
FUND BALANCE, APRIL 1, 2007	<u>3,995</u>	<u>3,995</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 3,780</u>	<u>\$ 4,469</u>	<u>\$ 689</u>

ROAD IMPROVEMENT  
FUND

CHARTER TOWNSHIP OF GENOA  
ROAD IMPROVEMENT FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,183,120
Prepaid expenditures	<u>115,000</u>
Total assets	<u><u>\$ 1,298,120</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 115,000
-------------------	------------

FUND BALANCE

Total liabilities and fund balance	<u><u>\$ 1,298,120</u></u>
------------------------------------	----------------------------

CHARTER TOWNSHIP OF GENOA  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 30,000	\$ 33,758	\$ 3,758
EXPENDITURES			
Project costs	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net change in fund balance	30,000	33,758	3,758
FUND BALANCE, APRIL 1, 2007	<u>1,149,362</u>	<u>1,149,362</u>	<u>                    </u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,179,362</u></u>	<u><u>\$ 1,183,120</u></u>	<u><u>\$ 3,758</u></u>



REIMBURSABLE  
ROAD PROJECTS  
FUND

CHARTER TOWNSHIP OF GENOA  
REIMBURSABLE ROAD PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 680,713
Special assessments receivable	<u>297,725</u>
Total assets	<u>\$ 978,438</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 282,382
-------------------	------------

FUND BALANCE

	<u>696,056</u>
Total liabilities and fund balance	<u>\$ 978,438</u>

CHARTER TOWNSHIP OF GENOA  
REIMBURSABLE ROAD PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 269,024	\$
Interest		7,693	
	<u>271,076</u>	<u>276,717</u>	<u>5,641</u>
Total revenues			
EXPENDITURES			
Road and lake projects			
Lake Chemung weed	31,000	37,937	(6,937)
Homestead	21,000	20,962	38
Other	30,350		30,350
Pardee Lake	<u>23,000</u>	<u>22,249</u>	<u>751</u>
	<u>105,350</u>	<u>81,148</u>	<u>24,202</u>
Total expenditures			
Net change in fund balance	165,726	195,569	29,843
FUND BALANCE, APRIL 1, 2007	<u>500,487</u>	<u>500,487</u>	
FUND BALANCE, MARCH 31, 2008	<u>\$ 666,213</u>	<u>\$ 696,056</u>	<u>\$ 29,843</u>

FUTURE DEVELOPMENT - PARKS  
PATHS AND RECREATION FUND

CHARTER TOWNSHIP OF GENOA  
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 810,657

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 7,500

FUND BALANCE

803,157

Total liabilities and fund balance

\$ 810,657

CHARTER TOWNSHIP OF GENOA  
 FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 22,100	\$ 28,313	\$ 6,213
Interest income			
EXPENDITURES			
Project costs	<u>365,250</u>	<u>368,900</u>	<u>(3,650)</u>
Excess of revenues over (under) expenditures	(343,150)	(340,587)	2,563
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u></u>
Net change in fund balance	(143,150)	(140,587)	2,563
FUND BALANCE, APRIL 1, 2007	<u>943,744</u>	<u>943,744</u>	<u></u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 800,594</u></u>	<u><u>\$ 803,157</u></u>	<u><u>\$ 2,563</u></u>

BUILDING AND GROUNDS  
RESERVE  
FUND

CHARTER TOWNSHIP OF GENOA  
BUILDING AND GROUNDS RESERVE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 79,017

FUND BALANCE

FUND BALANCE

\$ 79,017



CHARTER TOWNSHIP OF GENOA  
BUILDINGS AND GROUNDS RESERVE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 2,100	\$ 2,701	\$ 601
EXPENDITURES			
Excess of revenues over expenditures	2,100	2,701	601
OTHER FINANCING SOURCES			
Transfers in	<u>25,000</u>	<u>25,000</u>	
Net change in fund balance	27,100	27,701	601
FUND BALANCE, APRIL 1, 2007	<u>51,316</u>	<u>51,316</u>	
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 78,416</u></u>	<u><u>\$ 79,017</u></u>	<u><u>\$ 601</u></u>

UTILITIES / DPW  
FUND

CHARTER TOWNSHIP OF GENOA  
UTILITIES/DPW FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash	\$	216,215
Due from others		100,327
Due from other funds		26,410
Inventory		<u>4,986</u>
Total assets	\$	<u><u>347,938</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	5,356
Accrued wages		12,373
Due to other funds		<u>312,823</u>

Total liabilities \$ 330,552

FUND BALANCE

17,386

Total liabilities and fund balance \$ 347,938

CHARTER TOWNSHIP OF GENOA  
 UTILITIES/DPW SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Administration fees	\$ 370,000	\$ 384,326	\$ 14,326
Interest	<u>3,300</u>	<u>4,554</u>	<u>1,254</u>
Total revenues	<u>373,300</u>	<u>388,880</u>	<u>15,580</u>
EXPENDITURES			
Salaries	173,000	166,743	6,257
Auto reimbursement/truck expense	8,000	7,576	424
Professional services	5,000	4,950	50
Repairs and maintenance	2,000	742	1,258
Insurance	60,000	57,140	2,860
Pension	18,500	18,169	331
Payroll taxes	13,500	13,367	133
Office supplies and postage	11,000	9,194	1,806
Computer	7,000	7,853	(853)
Tools	10,000	35,020	(25,020)
Conferences	1,500	985	515
Telephone	7,000	3,068	3,932
Meter reads	12,000	10,302	1,698
Rental expense	4,500	4,500	
Uniforms	2,500	579	1,921
Capital outlay	22,423	22,423	
Utilities	<u>2,400</u>	<u></u>	<u>2,400</u>
Total expenditures	<u>360,323</u>	<u>362,611</u>	<u>(2,288)</u>
Excess of revenues over (under) expenditures	12,977	26,269	13,292
OTHER FINANCING (USES)			
Transfers (out)	<u>(10,000)</u>	<u>(10,000)</u>	<u></u>
Net change in fund balance	2,977	16,269	13,292
FUND BALANCE, APRIL 1, 2007	<u>1,117</u>	<u>1,117</u>	<u></u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 4,094</u></u>	<u><u>\$ 17,386</u></u>	<u><u>\$ 13,292</u></u>

UTILITIES / DPW RESERVE  
FUND

CHARTER TOWNSHIP OF GENOA  
UTILITIES/DPW RESERVE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS  
Cash

\$ 10,001

FUND BALANCE

FUND BALANCE

\$ 10,001

CHARTER TOWNSHIP OF GENOA  
 UTILITIES/DPW RESERVE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Interest income	\$ 1
EXPENDITURES	<u>          </u>
Excess of revenues over (under) expenditures	1
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>10,000</u>
Net change in fund balance	10,001
FUND BALANCE, APRIL 1, 2007	<u>          </u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 10,001</u></u>

DORR ROAD  
WATER AND SEWER  
DEBT SERVICE  
FUND



CHARTER TOWNSHIP OF GENOA  
DORR ROAD WATER AND SEWER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 127,354
Special assessments receivable	<u>329,550</u>
Total assets	<u><u>\$ 456,904</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 329,550
-------------------	------------

FUND BALANCE

	<u>127,354</u>
Total liabilities and fund balance	<u><u>\$ 456,904</u></u>

CHARTER TOWNSHIP OF GENOA  
DORR ROAD WATER AND SEWER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 25,350
Special assessments - interest	20,549
Interest	<u>1,956</u>
Total revenues	<u>47,855</u>
EXPENDITURES	
Debt - principal	40,000
Debt - interest	27,100
Debt - agent fees	<u>250</u>
Total expenditures	<u>67,350</u>
Net change in fund balance	(19,495)
FUND BALANCE, APRIL 1, 2007	<u>146,849</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 127,354</u></u>

TRI-LAKES ROAD DEBT  
SERVICE FUND

CHARTER TOWNSHIP OF GENOA  
TRI-LAKES ROAD DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 168,918
Special assessments receivable	<u>303,833</u>
Total assets	<u><u>\$ 472,751</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 1,284
Deferred revenues	<u>297,063</u>
Total liabilities	\$ 298,347

FUND BALANCE

	<u>174,404</u>
Total liabilities and fund balance	<u><u>\$ 472,751</u></u>

CHARTER TOWNSHIP OF GENOA  
 TRI-LAKES ROAD DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 63,808
Special assessments - interest	16,776
Interest - investments	4,487
Other income	<u>3</u>
Total revenues	<u>85,074</u>
EXPENDITURES	
Debt - principal	50,000
Debt - interest	11,941
Miscellaneous	<u>3,208</u>
Total expenditures	<u>65,149</u>
Net change in fund balance	19,925
FUND BALANCE, APRIL 1, 2007	<u>154,479</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 174,404</u></u>

GENOA-OCEOLA PHASE I  
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA  
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 410,039
Special assessments receivable	<u>224,316</u>
Total assets	<u><u>\$ 634,355</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 206,792
-------------------	------------

FUND BALANCE

Total liabilities and fund balance	<u><u>\$ 634,355</u></u>
------------------------------------	--------------------------

CHARTER TOWNSHIP OF GENOA  
 GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES

Special assessments - principal	\$ 217,857
Special assessments - interest	33,330
Interest - investments	<u>4,712</u>
Total revenues	<u>255,899</u>

EXPENDITURES

Debt - principal	316,356
Debt - interest	34,123
Miscellaneous	<u>641</u>
Total expenditures	<u>351,120</u>

Net change in fund balance	(95,221)
----------------------------	----------

FUND BALANCE, APRIL 1, 2007	<u>522,784</u>
-----------------------------	----------------

FUND BALANCE, MARCH 31, 2008	<u><u>\$ 427,563</u></u>
------------------------------	--------------------------



GENOA-OCEOLA PHASE II  
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA  
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 490,967
Special assessments receivable	<u>588,308</u>
Total assets	<u><u>\$ 1,079,275</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 560,964
-------------------	------------

FUND BALANCE

	<u>518,311</u>
Total liabilities and fund balance	<u><u>\$ 1,079,275</u></u>

CHARTER TOWNSHIP OF GENOA  
 GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES

Special assessments - principal	\$ 200,049
Special assessments - interest	15,214
Interest - investments	<u>24,975</u>

Total revenues	<u>240,238</u>
----------------	----------------

EXPENDITURES

Debt - principal	262,488
Debt - interest	21,630
Miscellaneous	<u>400</u>

Total expenditures	<u>284,518</u>
--------------------	----------------

Net change in fund balance	(44,280)
----------------------------	----------

FUND BALANCE, APRIL 1, 2007	<u>562,591</u>
-----------------------------	----------------

FUND BALANCE, MARCH 31, 2008	<u><u>\$ 518,311</u></u>
------------------------------	--------------------------

GRAND RIVER WATER  
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA  
GRAND RIVER WATER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 343,538
Special assessments receivable	<u>638,548</u>
Total assets	<u><u>\$ 982,086</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 630,106
-------------------	------------

FUND BALANCE

	<u>351,980</u>
Total liabilities and fund balance	<u><u>\$ 982,086</u></u>

CHARTER TOWNSHIP OF GENOA  
 GRAND RIVER WATER DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 111,018
Special assessments - interest	35,703
Interest - investments	<u>8,579</u>
Total revenues	<u>155,300</u>
EXPENDITURES	
Debt - principal	100,000
Debt - interest	27,801
Miscellaneous	<u>500</u>
Total expenditures	<u>128,301</u>
Net change in fund balance	26,999
FUND BALANCE, APRIL 1, 2007	<u>324,981</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 351,980</u></u>

GRAND OAKS WATER  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF GENOA  
GRAND OAKS WATER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 189,216
Special assessments receivable	<u>225,501</u>
Total assets	<u><u>\$ 414,717</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 220,906
-------------------	------------

FUND BALANCE

	<u>193,811</u>
Total liabilities and fund balance	<u><u>\$ 414,717</u></u>



CHARTER TOWNSHIP OF GENOA  
 GRAND OAKS WATER DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 69,450
Special assessments - interest	16,615
Interest - investments	<u>5,706</u>
Total revenues	<u>91,771</u>
EXPENDITURES	
Debt - principal	30,000
Debt - interest	14,753
Professional services	<u>800</u>
Total expenditures	<u>45,553</u>
Net change in fund balance	46,218
FUND BALANCE, APRIL 1, 2007	<u>147,593</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 193,811</u></u>

GRAND RIVER ROAD  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF GENOA  
GRAND RIVER ROAD DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 134,890
Special assessments receivable	<u>718,107</u>
Total assets	<u><u>\$ 852,997</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 709,366
-------------------	------------

FUND BALANCE

143,631

Total liabilities and fund balance	<u><u>\$ 852,997</u></u>
------------------------------------	--------------------------

CHARTER TOWNSHIP OF GENOA  
 GRAND RIVER ROAD DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 65,428
Special assessments - interest	47,403
Interest - investments	<u>1,014</u>
Total revenues	<u>113,845</u>
EXPENDITURES	
Debt - principal	75,000
Debt - interest	45,938
Agent fees	<u>830</u>
Total expenditures	<u>121,768</u>
Net change in fund balance	(7,923)
FUND BALANCE, APRIL 1, 2007	<u>151,554</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 143,631</u></u>

LAKE EDGEWOOD  
WEST WATER  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 422,344
Special assessments receivable	<u>1,907,958</u>
Total assets	<u><u>\$ 2,330,302</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 1,816,908
-------------------	--------------

FUND BALANCE

	<u>513,394</u>
Total liabilities and fund balance	<u><u>\$ 2,330,302</u></u>

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Special assessments - principal	\$ 130,583
Special assessments - interest	167,426
Interest - investments	<u>7,234</u>
Total revenues	<u>305,243</u>
EXPENDITURES	
Debt - principal	170,000
Debt - interest	129,434
Agent fees	<u>500</u>
Total expenditures	<u>299,934</u>
Net change in fund balance	5,309
FUND BALANCE, APRIL 1, 2007	<u>508,085</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 513,394</u></u>

MARION HOWELL OCEOLA GENOA  
PLANT EXPANSION  
DEBT SERVICE  
FUND



CHARTER TOWNSHIP OF GENOA  
MARION HOWELL OCEOLA GENOA PLANT EXPANSION  
DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,006,083

FUND BALANCE

FUND BALANCE

\$ 1,006,083

CHARTER TOWNSHIP OF GENOA  
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Interest - income	<u>\$ 43,970</u>
EXPENDITURES	
Debt - principal	80,000
Debt - interest	46,072
Miscellaneous	156
Professional fees	<u>200</u>
Total expenditures	<u>126,428</u>
Net change in fund balance	(82,458)
FUND BALANCE, APRIL 1, 2007	<u>1,088,541</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,006,083</u></u>

GENOA - OCEOLA  
PLANT EXPANSION  
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA  
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,918,516
Due from other funds	<u>110,000</u>
Total assets	<u>\$ 2,028,516</u>

FUND BALANCE

FUND BALANCE	<u>\$ 2,028,516</u>
--------------	---------------------

CHARTER TOWNSHIP OF GENOA  
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Interest - income	<u>\$ 83,150</u>
EXPENDITURES	
Debt - principal	68,715
Debt - interest	65,051
Miscellaneous	<u>200</u>
Total expenditures	<u>133,966</u>
Net change in fund balance	(50,816)
FUND BALANCE, APRIL 1, 2007	<u>2,079,332</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 2,028,516</u></u>

GRAND RIVER WATER  
NEW USER CAPITAL  
PROJECT FUND

CHARTER TOWNSHIP OF GENOA  
GRAND RIVER WATER NEW USER CAPITAL  
PROJECT FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents  
Due from other funds

\$ 796,353  
12,000

Total assets

\$ 808,353

FUND BALANCE

FUND BALANCE

\$ 808,353

CHARTER TOWNSHIP OF GENOA  
 GRAND RIVER WATER NEW USER CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES		
New user tap - in fees	\$ 92,400	
Interest income	25,076	
Miscellaneous	<u>5,375</u>	
Total revenues		\$ 122,851
EXPENDITURES		
Professional services	112,250	
Construction	<u>150,597</u>	
Total expenditures		<u>262,847</u>
Net change in fund balance		(139,996)
FUND BALANCE, APRIL 1, 2007		<u>948,349</u>
FUND BALANCE, MARCH 31, 2008		<u><u>\$ 808,353</u></u>



GENOA-OCEOLA PHASE I SEWER  
NEW USER CAPITAL  
PROJECT FUND

CHARTER TOWNSHIP OF GENOA  
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL  
PROJECT FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 650,315
Due from G/O SWATH	281,000
Due from other funds	<u>970,000</u>
Total assets	<u>\$ 1,901,315</u>

FUND BALANCE

FUND BALANCE	<u>\$ 1,901,315</u>
--------------	---------------------

CHARTER TOWNSHIP OF GENOA  
 GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
New user tap - in fees	\$ 61,970
Interest income	<u>22,647</u>
Total revenues	84,617
EXPENDITURES	
Professional services	<u>1,750</u>
Net change in fund balance	82,867
FUND BALANCE, APRIL 1, 2007	<u>1,818,448</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 1,901,315</u></u>

GENOA-OCEOLA PHASE II  
SEWER NEW USER CAPITAL  
PROJECT FUND

CHARTER TOWNSHIP OF GENOA  
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,581,823
Special assessments receivable	277,615
Due from G/O SWATH	<u>250,000</u>
Total assets	<u>\$ 2,109,438</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 258,653
-------------------	------------

FUND BALANCE

1,850,785

Total liabilities and fund balance	<u>\$ 2,109,438</u>
------------------------------------	---------------------

CHARTER TOWNSHIP OF GENOA  
 GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES

New user tap - in fees	\$ 16,390
Special assessments - Principal	16,166
Special assessments - Interest	13,741
Interest - investments	<u>56,705</u>

Total revenues		\$ 103,002
----------------	--	------------

EXPENDITURES

Authority project costs	113,098
Professional services	<u>2,625</u>

Total expenditures		<u>115,723</u>
--------------------	--	----------------

Net change in fund balance		(12,721)
----------------------------	--	----------

FUND BALANCE, APRIL 1, 2007		<u>1,863,506</u>
-----------------------------	--	------------------

FUND BALANCE, MARCH 31, 2008		<u><u>\$ 1,850,785</u></u>
------------------------------	--	----------------------------

FUTURE DEVELOPMENT - FIRE  
CAPITAL PROJECTS  
FUND

CHARTER TOWNSHIP OF GENOA  
FUTURE DEVELOPMENT - FIRE  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 75,595

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 4,637

FUND BALANCE

74,958

Total liabilities and fund balance

\$ 79,595



CHARTER TOWNSHIP OF GENOA  
 FUTURE DEVELOPMENT - FIRE  
 CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2008

REVENUES	
Interest	\$ 1,577
EXPENDITURES	
Project costs	<u>1,050,086</u>
Excess of revenues over (under) expenditures	(1,048,509)
OTHER FINANCING SOURCES	
Transfers in	<u>925,000</u>
Net change in fund balance	(123,509)
FUND BALANCE, APRIL 1, 2007	<u>198,467</u>
FUND BALANCE, MARCH 31, 2008	<u><u>\$ 74,958</u></u>

OAK POINTE  
WATER AND SEWER SYSTEMS  
FUND

CHARTER TOWNSHIP OF GENOA  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 60,054
Accounts receivable - operations	150,073
Due from other funds	115,304
Inventory	<u>30,000</u>

Total current assets \$ 355,431

RESTRICTED ASSETS

Cash and cash equivalents - future improvements	318,798
Cash and cash equivalents - debt service	1,213,318
Special assessments receivable	1,541,347
Due from county	<u>94,829</u>

Total restricted assets 3,168,292

PROPERTY, PLANT AND EQUIPMENT

Land	358,855
Water system	4,602,493
Sewer system	8,764,176
Construction in progress - sewer	<u>156,796</u>
	13,882,320
Less accumulated depreciation	<u>4,114,893</u>

Net property, plant and equipment 9,767,427

OTHER ASSETS

Due from Brownfield Authority	<u>270,453</u>
-------------------------------	----------------

Total assets \$ 13,561,603

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 30,813	
Due to other funds	1,210,631	
Due to others	<u>1,691</u>	
Total current liabilities		\$ 1,243,135

CURRENT LIABILITIES (from restricted assets)

Special assessment bonds - Tri-Lakes	155,000	
Special assessment bonds refunding - Water Improvement System	65,000	
Special assessment bonds - NE Tri-Lakes	<u>35,000</u>	
Total current liabilities (from restricted assets)		255,000

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - Tri-Lakes	465,000	
Special assessment bonds (refunding) - Water improvement system	425,000	
Special assessment bonds - NE Tri-Lakes	<u>255,000</u>	
Total long-term liabilities (from restricted assets)		<u>1,145,000</u>

Total liabilities	2,643,135
-------------------	-----------

FUND EQUITY

Retained earnings - reserved	10,465,763	
Retained earnings - unreserved	<u>452,705</u>	
Total fund equity		<u>10,918,468</u>

Total liabilities and fund equity	<u><u>\$ 13,561,603</u></u>
-----------------------------------	-----------------------------

CHARTER TOWNSHIP OF GENOA  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES APRIL 1, 2007	\$ 10,050,608	\$ 479,069	\$ 10,529,677
Depreciation expense	(320,423)		(320,423)
Operating (loss) excluding depreciation expense		(28,755)	(28,755)
Interest income - special assessments and reserves	128,224		128,224
Interest income - operations		400	400
Interest expense - bonds	(51,706)		(51,706)
Connection fees	652,433		652,433
Other revenue and (expense), net	<u>6,627</u>	<u>1,991</u>	<u>8,618</u>
ENDING BALANCES MARCH 31, 2008	<u>\$ 10,465,763</u>	<u>\$ 452,705</u>	<u>\$ 10,918,468</u>

CHARTER TOWNSHIP OF GENOA  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2008

OPERATING REVENUE

User charges	\$ 814,706
--------------	------------

OPERATING EXPENSES

Administration expenses	40,392
Audit, consulting and legal	18,975
Chemicals	10,972
Contracted labor	321,339
Depreciation expense	320,423
Director's fees	29,052
Engineering	35,625
Groundwater exceedence expenses	25,020
Insurance	16,422
Laboratory costs	16,902
Licenses, fees and permits	4,849
Office	613
Repairs and maintenance	187,874
Sludge disposal	22,853
Supplies and perishable tools	4,627
Telephone	6,096
Utilities - electric	92,921
Utilities - gas	8,929

Total operating expenses	1,163,884
--------------------------	-----------

Operating (loss)	(349,178)
------------------	-----------

NON-OPERATING REVENUES AND (EXPENSES)

Connection fees - assessments	652,433
Interest income - special assessments	78,961
Interest income - reserved accounts	49,263
Interest income - general	400
Other revenue	9,018
Other expenses	(400)
Interest fees expense - bonds	(51,706)

Total non-operating revenues	737,969
------------------------------	---------

Net income	\$ 388,791
------------	------------

CHARTER TOWNSHIP OF GENOA  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Receipts from customers	\$ 791,396	
Payments to vendors	<u>(844,728)</u>	
Net cash (used in) operating activities		\$ (53,332)

CASH FLOWS FROM (USED IN) CAPITAL AND  
RELATED FINANCING ACTIVITIES

Repayment of principal on bonds	(305,000)	
Special assessment collections	183,695	
Interest received from special assessments and reserved accounts	128,224	
Interest paid on bonds	(51,706)	
Additions to systems	(184,850)	
Connection fees	82,427	
Net other revenue	8,618	
Delinquents collected from County	<u>26,314</u>	
Net cash (used in) capital and related investing activities		(112,278)

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	400	
Loans to other funds	(13,103)	
Loans from other funds	232,967	
Loans from others	<u>1,690</u>	
Net cash from investing activities		<u>221,954</u>
Net increase in cash and cash equivalents		56,344

CASH AND CASH EQUIVALENTS AT APRIL 1, 2007	<u>1,535,826</u>
--------------------------------------------	------------------

CASH AND CASH EQUIVALENTS AT MARCH 31, 2008	<u><u>\$ 1,592,170</u></u>
---------------------------------------------	----------------------------

RECONCILIATION OF OPERATING (LOSS) TO NET  
CASH FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (349,178)
------------------	--------------

Adjustments to reconcile operating (loss) to net cash  
from (used in) operating activities

Depreciation expense	320,423
Change in assets and liabilities	
Receivables, net	(23,310)
Payable net	17,633
Increase in inventory	<u>(18,900)</u>
Net cash from (used in) operating activities	<u><u>\$ (53,332)</u></u>

CHARTER TOWNSHIP OF GENOA  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN EQUITY - OPERATIONS FUND ONLY  
FOR THE YEAR ENDED MARCH 31, 2008

	Water	Sewer	Total
REVENUES			
Billings - operations	\$ 328,035	\$ 486,671	\$ 814,706
Income - other	797	1,497	2,294
Income - interest	198	203	401
	<hr/>	<hr/>	<hr/>
Total income	329,030	488,371	817,401
	<hr/>	<hr/>	<hr/>
EXPENSES			
Auditing and consulting	3,350	4,250	7,600
Administration - billings/meters	16,615	23,777	40,392
Chemicals	10,971		10,971
Consent order - ground H2O sodium		25,020	25,020
Capital projects	1,254	8,797	10,051
Director fees	6,825	22,227	29,052
Engineering - general	424	12,664	13,088
Engineering - separate projects		22,537	22,537
Insurance	5,896	10,526	16,422
Labor - fixed	151,633	169,705	321,338
Laboratory costs	1,953	14,949	16,902
Legal fees	100	100	200
Licenses, fees, permits	1,049	3,800	4,849
Office expenses	193	165	358
Refunds and adjustments	120	138	258
Repairs and maintenance	54,429	123,394	177,823
Sludge disposal		22,853	22,853
Telephone	682	5,412	6,094
Tools and supplies	1,620	3,007	4,627
Utilities - electric	33,450	59,470	92,920
Utilities - gas	3,690	5,239	8,929
	<hr/>	<hr/>	<hr/>
Total expenses	294,254	538,030	832,284
	<hr/>	<hr/>	<hr/>
Net revenues over (under) expenses	34,776	(49,659)	(14,883)
	<hr/>	<hr/>	<hr/>
Beginning fund equity (deficit)	19,239	(65,391)	(46,152)
	<hr/>	<hr/>	<hr/>
Ending fund equity (deficit)	<u>\$ 54,015</u>	<u>\$ (115,050)</u>	<u>\$ (61,035)</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.



LAKE EDGEWOOD  
WATER AND SEWER SYSTEMS  
FUND

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 33,014
Accounts receivable - operations	88,624
Due from other funds	134,017
Inventory	2,000
Due from others	<u>6,270</u>

Total current assets \$ 263,925

RESTRICTED ASSETS

Cash and cash equivalents - debt service	1,570,165
Cash and cash equivalents - future improvements	691,076
Special assessments receivable	2,925,528
Contract receivable - City of Brighton	154,800
Due from county	<u>71,461</u>

Total restricted assets 5,413,030

PROPERTY, PLANT AND EQUIPMENT

Land	260,009
Sewer system	<u>7,703,745</u>
	7,963,754
Less accumulated depreciation	<u>1,533,478</u>

Net property, plant and equipment 6,430,276

Total assets \$ 12,107,231

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 28,073
Due to other funds	30,333
Due to others	<u>846</u>

Total current liabilities		\$ 59,252
---------------------------	--	-----------

CURRENT LIABILITIES (from restricted assets)

Special assessment bonds - phase I	115,000
Special assessment bonds - phase II	20,000
Special assessment bonds - phase III	20,000
Contract payable (Liv. Cty.) - extension of water	25,000
Contract payable (Liv. Cty.) - sewer west extension	<u>265,000</u>

Total current liabilities (from restricted assets)		445,000
----------------------------------------------------	--	---------

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - phase I	125,000
Special assessment bonds - phase II	95,000
Special assessment bonds - phase III	110,000
Contract payable (Liv. Cty.) - extension of water	230,000
Contract payable (Liv. Cty.) - sewer west extension	<u>3,180,000</u>

Total long-term liabilities (from restricted assets)		<u>3,740,000</u>
------------------------------------------------------	--	------------------

Total liabilities		4,244,252
-------------------	--	-----------

FUND EQUITY

Retained earnings - reserved	7,993,861
Retained earnings - unreserved	<u>(130,882)</u>

Total fund equity		<u>7,862,979</u>
-------------------	--	------------------

Total liabilities and fund equity		<u><u>\$ 12,107,231</u></u>
-----------------------------------	--	-----------------------------

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES APRIL 1, 2007	\$ 8,012,192	\$ (78,402)	\$ 7,933,790
Depreciation expense	(156,840)		(156,840)
Connection fees	59,400		59,400
Operating (loss) depreciation expense		(55,238)	(55,238)
Interest income - general		287	287
Interest income - special assessments and reserves	323,197		323,197
Interest expense - bonds	(244,088)		(244,088)
Other revenue and (expense), net		2,471	2,471
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ENDING BALANCES MARCH 31, 2008	<u>\$ 7,993,861</u>	<u>\$ (130,882)</u>	<u>\$ 7,862,979</u>

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2008

OPERATING REVENUE

User charges	\$ 358,908
--------------	------------

OPERATING EXPENSES

Administration expenses	14,006
Audit, consulting and legal	8,576
Chemicals	12,376
Contracted labor	94,822
Depreciation expense	156,840
Director's fees	9,356
Engineering	9,073
Groundwater exceedence expenses	17,681
Insurance	8,578
Laboratory costs	12,311
Licenses, fees and permits	3,800
Office	1,096
Repairs and maintenance	64,281
Sludge disposal	18,968
Supplies and perishable tools	2,446
Telephone	2,600
Utilities - electric	39,485
Utilities - gas	9,709
Utilities - other	102
Water purchases	84,880

Total operating expenses	570,986
--------------------------	---------

Operating (loss)	(212,078)
------------------	-----------

NON-OPERATING REVENUES AND (EXPENSES)

Connection fees	59,400
Interest income - special assessments and reserves	323,197
Interest income - general	287
Interest expense - bonds	(244,088)
Other income	2,471

Total non-operating revenues	141,267
------------------------------	---------

Net (loss)	\$ (70,811)
------------	-------------

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users	\$ 370,905	
Cash paid to vendors	<u>(433,881)</u>	
Net cash (used in) operating activities		\$ (62,976)

CASH FLOWS FROM (USED IN) CAPITAL AND  
RELATED FINANCING ACTIVITIES

Special assessment collections - principal	242,606	
Collections City of Brighton - contract receivables	17,200	
Interest received from special assessments and reserved accounts	323,197	
Interest paid on bonds	(244,088)	
Principal paid on debt	(435,000)	
Collections from county - delinquents	72,431	
Other income	<u>2,471</u>	
Net cash (used in) capital and related investing activities		(21,183)

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Loans to other funds	(1,110)	
Loans from other funds	18,701	
Interest income from investments	<u>286</u>	
Net cash from investing activities		<u>17,877</u>

Net increase in cash and cash equivalents	(66,282)
-------------------------------------------	----------

CASH AND CASH EQUIVALENTS AT APRIL 1, 2007	<u>2,360,537</u>
--------------------------------------------	------------------

CASH AND CASH EQUIVALENTS AT MARCH 31, 2008	<u><u>\$ 2,294,255</u></u>
---------------------------------------------	----------------------------

RECONCILIATION OF OPERATING (LOSS) TO NET  
CASH FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (212,078)
------------------	--------------

Adjustments to reconcile operating (loss) to net cash  
from (used in) operating activities

Depreciation expense	156,840
Change in assets and liabilities	
Receivables, net	11,997
Payable net	1,057
Due to others	(12,522)
Due from others	(2,000)
Inventory	<u>(6,270)</u>
Net cash from (used in) operating activities	<u><u>\$ (62,976)</u></u>

CHARTER TOWNSHIP OF GENOA  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN EQUITY - OPERATIONS FUND ONLY  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
Billings - operations	\$ 93,670	\$ 265,238	\$ 358,908
Income - other		2,473	2,473
Income - interest	<u>143</u>	<u>142</u>	<u>285</u>
Total income	<u>93,813</u>	<u>267,853</u>	<u>361,666</u>
EXPENSES			
Auditing and consulting	900	4,500	5,400
Administration - billings/meters	4,332	9,674	14,006
Chemicals		12,376	12,376
Consent order - ground H2O sodium		17,681	17,681
Capital projects		14,258	14,258
Director fees	818	8,538	9,356
Engineering - general		6,694	6,694
Engineering - separate projects		2,379	2,379
Insurance		8,578	8,578
Labor - fixed		94,822	94,822
Laboratory costs		12,310	12,310
Legal fees	200	1,176	1,376
Licenses, fees, permits		3,800	3,800
Office expenses		176	176
Repairs and maintenance		50,023	50,023
Sludge disposal		18,968	18,968
Telephone		2,600	2,600
Tools and supplies	234	2,211	2,445
Utilities - electric		39,485	39,485
Utilities - gas		9,709	9,709
Utilities - other	103		103
Water purchases	<u>84,880</u>		<u>84,880</u>
Total expenses	<u>91,467</u>	<u>319,958</u>	<u>411,425</u>
Net revenues over (under) expenses	2,346	(52,105)	(49,759)
Beginning fund equity (deficit)	<u>19,239</u>	<u>(65,391)</u>	<u>(46,152)</u>
Ending fund equity (deficit)	<u>\$ 21,585</u>	<u>\$ (117,496)</u>	<u>\$ (95,911)</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

PINE CREEK  
WATER AND SEWER SYSTEMS  
FUND



CHARTER TOWNSHIP OF GENOA  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 165,537	
Accounts receivable - operations	56,126	
Due from other funds	<u>11,855</u>	
Total current assets		\$ 233,518

RESTRICTED ASSETS

Cash and cash equivalents - debt service	158,866	
Due from county	1,789	
Special assessments receivable	<u>51,414</u>	
Total restricted assets		<u>212,069</u>

Total assets		<u><u>\$ 445,587</u></u>
--------------	--	--------------------------

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 66,647
Due to other funds	<u>5,771</u>

Total current liabilities	<u>\$ 72,418</u>
---------------------------	------------------

CURRENT LIABILITIES (from restricted assets)

Current portion - contract payable - City of Brighton	69,660
-------------------------------------------------------	--------

LONG-TERM LIABILITIES (from restricted assets)

Contract payable - City of Brighton	<u>69,660</u>
-------------------------------------	---------------

Total long-term liabilities (from restricted assets)	<u>139,320</u>
------------------------------------------------------	----------------

Total liabilities	211,738
-------------------	---------

FUND EQUITY

Retained earnings - reserved	137,849
Retained earnings - unreserved	<u>96,000</u>

Total fund equity	<u>233,849</u>
-------------------	----------------

Total liabilities and fund equity	<u><u>\$ 445,587</u></u>
-----------------------------------	--------------------------

CHARTER TOWNSHIP OF GENOA  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES APRIL 1, 2007	\$ 130,520	\$ 105,182	\$ 235,702
Operating (loss)		(9,928)	(9,928)
Interest income - operations	7,329	614	7,943
Interest income - special assessments			
Other revenue		132	132
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ENDING BALANCES MARCH 31, 2008	<u><u>\$ 137,849</u></u>	<u><u>\$ 96,000</u></u>	<u><u>\$ 233,849</u></u>

CHARTER TOWNSHIP OF GENOA  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2008

OPERATING REVENUE	
User charges	<u>\$ 275,137</u>
OPERATING EXPENSES	
Water - sewer usage	270,237
Adminstration	13,999
Professional fees	500
Repairs	<u>329</u>
Total operating expenses	<u>285,065</u>
Operating (loss)	<u>(9,928)</u>
NON-OPERATING REVENUES AND (EXPENSES)	
Interest income - operations	614
Interest income - special assessments	7,329
Other revenue	<u>132</u>
Total non-operating revenues	<u>8,075</u>
Net (loss)	<u><u>\$ (1,853)</u></u>

CHARTER TOWNSHIP OF GENOA  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users - customers	\$ 275,296
Cash paid to vendors	<u>(273,958)</u>

Net cash from operating activities \$ 1,338

CASH FLOWS FROM (USED IN) CAPITAL AND  
RELATED FINANCING ACTIVITIES

Special assessment collections	52,910
Interest received from special assessments	7,329
Payment on contract payable - City of Brighton	<u>(69,660)</u>

Net cash (used in) capital and related investing activities (9,421)

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	614
Net loans with other funds	<u>3,230</u>

Net cash from investing activities 3,844

Net increase in cash and cash equivalents (4,239)

CASH AND CASH EQUIVALENTS AT APRIL 1, 2007 328,642

CASH AND CASH EQUIVALENTS AT MARCH 31, 2008 \$ 324,403

RECONCILIATION OF OPERATING (LOSS) TO NET

CASH FROM (USED IN) OPERATING ACTIVITIES

Operating (loss) \$ (9,928)

Adjustments to reconcile operating (loss) to net cash  
from (used in) operating activities

Other receipts	132
Change in assets and liabilities	
Receivables, net	27
Payable net	<u>11,107</u>

Net cash from (used in) operating activities \$ 1,338

DEPOSIT TRUST  
FUND

CHARTER TOWNSHIP OF GENOA  
DEPOSIT TRUST FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 68,326

LIABILITIES

LIABILITIES

Due to other funds

\$ 315

Deposits - escrows

68,011

Total liabilities

\$ 68,326

CURRENT TAX  
FUND



CHARTER TOWNSHIP OF GENOA  
CURRENT TAX FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 7,516

LIABILITIES

LIABILITIES

Due to other funds

\$ 7,243

Due to others

273

Total liabilities

\$ 7,516

TRUST AND AGENCY  
FUND

CHARTER TOWNSHIP OF GENOA  
TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 334

LIABILITIES

LIABILITIES

Due to other funds

\$ 50

Due to others

284

Total liabilities

\$ 334

UTILITY ESCROW  
FUND

CHARTER TOWNSHIP OF GENOA  
UTILITY ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 224,428

LIABILITIES

LIABILITIES

Due to other funds

\$ 156,090

Due to others

68,338

Total liabilities

\$ 224,428



---

**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

June 30, 2008

Board of Trustees  
Charter Township of Genoa  
2911 Dorr Road  
Brighton, Michigan 48116

Dear Honorable Board of Trustees:

During our audit of the Charter Township of Genoa we came across a few matters that we would like to discuss with you as part of our audit presentation for the year ending March 31, 2008.

The matters which we would like to discuss with you are as follows:

1. There is a new auditing standard (SAS #112) which we are required to follow as your auditing firm. This new standard relates to more formal communications by us to you regarding significant deficiencies in your internal controls and accounting procedures.

There are certain issues (deficiencies) which were previously considered general comments but under the new standard are now considered significant deficiencies.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's or detected by the entity's internal control.

We consider the following to be a material weakness of the Township.

- Journal entries were required during the audit to ensure the financial statement presentation was in conformity with generally accepted accounting principles. It should be noted that these journal entries were related to the full-accrual presentation of the government-wide statements (converting fund financial statements to full accrual statements).

We have previously discussed this matter with you and your response was as follows:

Response by Management

We understand that you must follow the aforementioned auditing standard to complete the audit in accordance with Generally Accepted Auditing Standards as applicable to the audit of the Township. However, we prefer that you as our auditing firm continue to make the applicable journal entries to convert the fund financial statements to full accrual statements as required by GASB 34. We believe the costs to circumvent this comment would outweigh the benefits to the Township.

Therefore, we completely understand the comment and request that Pfeffer, Hanniford & Palka, CPA's continue to make the conversion journal entries in the future.

Other Matters

2. The Township maintains two (2) sewer capital project funds related to the Genoa-Oceola sewer districts. New tap-in fees are deposited into these funds which come from hook-ups to the sewer system from customers not included in a special assessment district. Expenditures from these funds consist of new infrastructure to the sewer system. The Genoa-Oceola SWATH (an Authority) set-up as a separate entity administers the operations of this sewer system. Two (2) funds were originally set-up as separate capital project funds.

We see no reason to maintain two (2) separate funds for new-user monies. We recommend the two (2) funds be combined for easier accounting and administration.

3. During the past year, the Oak Pointe Homestead Debt was retired. The amount remaining in the fund should be transferred to the Oak Pointe New User Fund for improvements to the Oak Pointe water and sewer system.

Conclusion

Thank you for your assistance and hospitality toward our firm while conducting the audit of the Charter Township of Genoa.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of Genoa and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants